

Not just Number 1
in Plumbing Supply
WOLSELEY



EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

No. 31,101

© THE FINANCIAL TIMES LTD 1990

Weekend March 17/March 18 1990

D 8523A

WIPAC
AUTOMOTIVE PARTS
& ACCESSORIES

WORLD NEWS

Iraq stages anti-British protests

Anti-British protests are being staged throughout Iraq today by a Baghdad Government bent on sustaining hostility towards Britain after Thursday's execution of Farzad Bazargan, the London-based journalist.

An Harold Walker, Britain's ambassador to Baghdad, arrived back in London yesterday, more details emerged about Mr Bazargan's past. After being jailed for attempted robbery in 1981, Iranian-born Mr Bazargan successfully appealed against deportation. Page 22

Spain's prediction
As East Germany heads for its first free elections tomorrow, the Bonn Government forecast that economic renewal in the East would add one per cent to the gross national product. Page 22; SPD set to be largest party, Page 2; Editorial comment, Page 6

Lithuania's border plan
Lithuania's Government, at loggerheads with Moscow over secession from the Soviet Union, announced plans to set up border checkpoints to prevent the "uncontrolled export" of goods. Page 2

RR 'acted shabbily'
The widow of a man killed in the 1988 Clapham, London, rail disaster accused British Rail of treating her shabbily since the accident. Mrs Carol Perry-Lewis, 43, of Bournemouth, Dorset accepted agreed damages of £106,881. Page 4

AIDS chief quits in row
Dr Jonathan Mann, American director of the World Health Organisation's AIDS programme, resigned because of a rift with WHO director general Dr Hiroshi Nakajima.

Appeal on child benefit
Former Social Services Secretary Sir Norman Fowler warned the Government not to scrap child benefit, which has been kept at the same level for three years. Page 5

EC to curb tobacco
The European Community is proposing a total ban on tobacco advertising by 1992.

Jealous husband jailed
Midlands mathematics teacher Barry Marshall, 45, was jailed for killing his wife at their home in Wolverhampton, hacking her body to bits and dumping the pieces on rubbish tips. A court heard that Mr Marshall, whose manslaughter plea was accepted, killed in a jealous rage when he heard his wife telephoning her lover.

HK Bill of Rights
Hong Kong's draft Bill of Rights drew criticism the moment it was published. It is meant to ensure that basic freedoms not currently recognised in China will be preserved in Hong Kong after 1997, when the colony reverts to Chinese rule. Page 3

Soviet newspaper wins
Argumenty I Fakty, a Soviet newspaper with 33m sales, was named newspaper of the year by the British television programme What the Papers Say. Argumenty I Fakty was launched just over 10 years ago, when it was aimed at students at university and college lecturers.

Amazonian opera house
Teatro Amazonas, built in Manaus at the height of Brazil's 19th century rubber boom, re-opens tonight after more than 80 years. The Amazon capital's opera house has a neoclassical pink facade and a tiled dome of green, yellow and blue.

Nien ne va plus
Paris finance houses and trading floors have been told by the French Finance Ministry to stop referring to Les Blue Chips, Les debt equity swaps and La venture capital and find French equivalents for English jargon.

BUSINESS SUMMARY

Electricity price cut for industry

Large businesses are to get big cuts in electricity prices, while small firms and households will face above average increases.

The latest price rebalancing by the 12 area electricity boards in England and Wales followed lobbying from business organisations who complained they were suffering under the industry's new structure. Page 22

SCRAP METAL workers in the UK have won a 37-hour week from their employers — a breakthrough in a national union campaign for a shorter working week. Page 22

MIKHAIL GORBACHEV's personal economic adviser has published a strong attack on the financial policies of the Soviet Government, calling for the use of foreign loans as part of an effort to improve the situation in the consumer market. Page 2

US Federal budget in fiscal year 1991 may be between \$65bn and \$15bn (\$2.7bn) higher than expected. Page 2

COATS VITELLA, largest UK textiles group, will close two west country factories, in Bridgwater and Taunton, with the loss of 300 jobs. Page 4

JAPAN's economy grew by 4.9 per cent in 1989 — mainly due to a surge in industrial capital investment and strong consumer spending. Page 3

MANNESMANN of West Germany is lifting its stake in fellow engineering group TI of the UK — from 5 per cent to 9.9 per cent. Page 8

HONGKONG LAND, Jardine Matheson property company, lifted annual net profits 24 per cent to HK\$1.51bn (£190m). Managing director Alexander Morton said the company was little affected by the Tsanmen Square crisis, which knocked 20 per cent off colony property prices. Page 10

PROCORDIA, state-affiliated Swedish holding company, has sold its trucking division Kamber Industries. It had been remaining industrial unit to Components Swedish engineering group. The price was not disclosed. Page 10

UK STOCKS rounded off the pre-Budget week with one of the best trading sessions so far this year. Despite general expectations that the Budget will bring little joy for equities, the stock market gained 29 points in significantly increased trading volume, brushing aside underlying concerns over global interest rates. London Stock Exchange, Page 18; Lex, Page 22

THE SECURITIES Association, UK regulatory body, has asked member firms to contact it to check the stock they hold against a list of stolen or fraudulently used high-value share certificates.

TKM, UK motor group controlled by Sir Ron Brinkley's investment vehicles, is making an agreed £100m bid for Western Motor Holdings, Soviet and Malaysian car importer. Page 8

PAR Pharmaceuticals, US drug manufacturer, said its Quad Pharmaceuticals subsidiary suspended distribution after "serious questions" were raised over production changes, made contrary to FDA requirements. Page 10

UK productivity declining as unit wage costs increase

By Rachel Johnson and Peter Norman

PRODUCTIVITY in Britain began to decline last year for the first time since 1986 while wage costs per unit of production moved ahead of inflation to 10.1 per cent, official figures showed yesterday.

A mass of government data indicated a mix of rising inflation and sharply slowing economic growth — and provided Mr John Major, the UK Chancellor, with some unsettling information about the state of the UK economy as he put the finishing touches to his first Budget on Tuesday.

The Department of Employment said wage rises outstripped productivity by a growing margin in 1989.

Output per head across the whole economy dropped at an annual rate of 0.5 per cent in the third quarter of 1989 after a 0.2 per cent fall in the second quarter.

Wages and salaries per unit of output reached double figures in the third quarter of last year for the first time since the recession of 1981.

The acceleration in wage costs and slowdown in productivity began in April, according to data which had been revised to reflect the results of last week's latest government labour force survey.

This showed that 784,000 more people were in work in the year to September 1989 than previously estimated, with the result that output per head turned out to be lower in 1989 than in the previous year.

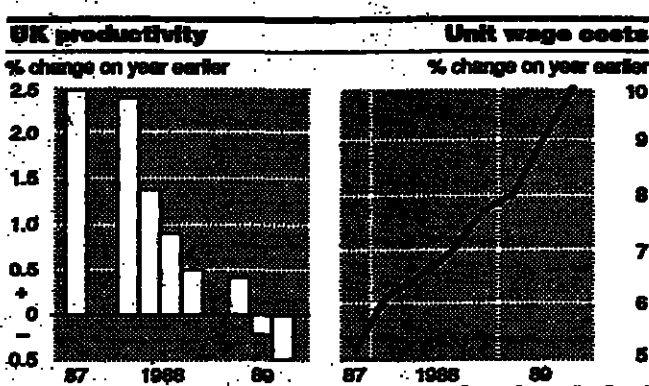
More up-to-date government figures showed that manufacturing output was also stagnant under the pressures of high interest rates and weakening domestic demand with the result that manufacturers suffered a sharp slowdown in productivity.

Productivity growth in manufacturing slumped to an annual 0.8 per cent in January from levels above 5 per cent at the beginning of last year.

Unit labour costs in manufacturing rose at an annual 7.3 per cent rate in January after 3 per cent in the first quarter of last year.

The Central Statistical Office announced that output in the manufacturing industries in January fell for the fourth month in succession, returning it to levels last seen in January last year.

The index of manufacturing output dropped 0.2 per cent in January after 0.1 per cent in December. Continued on Page 22



UK productivity and unit wage costs. Quarterly figures, seasonally adjusted. Source: Central Statistical Office

year for the first time since the recession of 1981.

The acceleration in wage costs and slowdown in productivity began in April, according to data which had been revised to reflect the results of last week's latest government labour force survey.

This showed that 784,000 more people were in work in the year to September 1989 than previously estimated, with the result that output per head turned out to be lower in 1989 than in the previous year.

More up-to-date government figures showed that manufacturing output was also stagnant

BTR in \$1.64bn bid for Norton

By David Owen

BTR, the UK industrial conglomerate, yesterday launched a surprise \$1.64bn (£1.01bn) cash takeover offer for Norton, the Massachusetts-based abrasives, advanced ceramics and performance plastics manufacturer.

Norton responded by urging shareholders not to sell their stock and await the outcome of an evaluation of the bid which would be announced by March 28.

At 2pm in New York, the shares were trading marginally below the offer price of \$75 at \$74.

The offer comes within a week of Reckitt & Colman's \$1.25bn agreement in principle to purchase most of American Home Products' Boyle-Midway household division and may presage a fresh wave of transatlantic investment by European companies.

If the bid is rejected it will be the first time that BTR has been behind a hostile offer since 1989 when BTR, its 84 per cent-owned Australian offshoot, won control of ACI International, the building materials and packaging concern, for \$41.7bn (£788m). In January 1987, the group dropped a hostile \$1.15bn bid for Pilkington Brothers, the glassmaker.

The addition of Norton would increase BTR's US sales by approximately 50 per cent, although almost half of the company's turnover is derived from outside North America. It operates 113 plants in all in 26 countries. In 1989, it made after-tax earnings of \$85.8m before extraordinary items on sales of \$1.83bn.

Mr John Cahill, chief executive, said that BTR was not the vehicle through which BTR intended to float its already extensive US interests, but that the group still intended to proceed with such a flotation "when the time is right."

"It is not a sea-change acquisition," Mr Cahill said. "BTR has the global resources and market access that can help Norton further to penetrate target markets."

One City analyst described initial reaction to the announcement as "euphoric." BTR's shares rose 20p to 437p.

The bid, which is pitched at 19 times earnings and represents a 28 per cent premium over the closing share price on Continued on Page 22

A good target but not the vehicle for a US flotation, Page 6; Lex, Page 22

Weekend FT



THE EAGLE STRUGGLES TO BE FREE
David Marsh visits the hunting ground of two great dictators
Page 1



Mr Major's passion
Teresa McLean fails for another Surrey cricket enthusiast — John Major, the Chancellor
Page XXVI

Finance
Alan Budd on misery budgets
Page III

Perspectives
Christian Tyler on Salzburg's forthcoming Mozart orgy
Page IX

Collor plans radical economic reform

By Peter Norman

PRESIDENT Fernando Collor of Brazil said in office by tabling a package of radical reforms aimed at reshaping and deregulating the national economy.

At his heart his sharp tax rises and deep spending cuts intended to convert the Government's budget projections from a deficit of 8 per cent of gross domestic product (GDP) to a surplus valued at 2 per cent of GDP.

Commanding his measures as "irrevocable, courageous and indispensable," Mr Collor said his objective was nothing less than to re-establish the authority of the state, long eroded by inaction in the face of mounting inflation.

The package includes tough fiscal measures, a credit squeeze, an end to subsidies, a new currency and price and wage controls.

Most controversially, it institutes an 18-month block on investors' access to funds above a figure roughly equivalent to \$500 in savings and bank accounts or 20 per cent of sums in overnight markets or short term savings instruments.

The implications of this liquidity squeeze were still being pondered last night but many are certain to claim it represents a moratorium of dubious legality on Brazil's

PM accused of environment U-turn after attack on greens

By John Hunt, Environment Correspondent

MRS Margaret Thatcher yesterday appeared to set limits on her endorsement of environmental policies by criticising "silly fairy" notions and accusing members of the green movement of trying to live in the past.

The Prime Minister warned against coming to hasty conclusions over global warming — the greenhouse effect. She defended the role of the car, despite concern over exhaust pollution, but emphasised the need for greater fuel efficiency.

"We are not going to do without a great car economy," she said. "Much of our economy would collapse if we did without that."

Mr Bryan Gould, Labour environment spokesman, last night accused her of making a U-turn on environmental issues and said that her attempt to smear environmentalists as wanting to return to a rural life was a grave insult to people desperately worried about their quality of life.

Her remarks on cars, Mr Gould said, meant that Mr

PM accused of environment U-turn after attack on greens

By John Hunt, Environment Correspondent

MRS Thatcher predicted an "amazing" result for the Tories in Thursday's Westminster by-election. She acknowledged concerns about the community charge but said it was "far better than the votes ever were." Page 4

Cecil Parkinson, the Transport Secretary, had won a battle with Mr Chris Patten, the Environment Secretary, over the road scheme with Mrs Thatcher's help. Mr Patten should resign.

Mr Paddy Ashdown, Liberal Democrat Leader, said her speech was "an extraordinary outbreak of raw prejudice." Mr David Glee, director designate of Friends of the Earth, said: "She ought to give the planet the benefit of the doubt and take action now."

Mrs Thatcher, who was presenting the Better Environment Awards for industry in London, strongly emphasised the need for continued economic growth. She took a similar line to recent remarks by President

PM accused of environment U-turn after attack on greens

By John Hunt, Environment Correspondent

Bush, who noted the extent of scientific uncertainty about global warming and warned against adopting policies which clashed with economic growth and market mechanisms.

Her speech seemed to be at variance with the views of scientists at the Department of the Environment who returned from the Washington meeting of the Intergovernmental Panel on Climate Change convinced that there was sufficient proof of global warming for preventive action to be taken now.

"We have to be realistic in our approach," Mrs Thatcher said. "It is easier to get the facts than it is to interpret them. We have had the ice age but we have had times in this country when it was quite tropical."

"I find some people thinking of the environment in a kind of silly fairy way as if we could go back to some 'village life,' she said. But this was quite impossible. One had to think about growth as well as protecting the environment.

YOUR LAST CHANCE!

TO SECURE '89/90 TAX BENEFITS ON A PROLIFIC PEP AND 1% DISCOUNT
INVEST BY 28th MARCH 1990

28th March, 1990 is your last chance to invest in a Prolific PEP and secure your 1989/90 tax benefits.

It is also your last opportunity to benefit from our 1% discount offer.

Don't miss out! Return the coupon today!

URGENT. PLEASE SEND ME AN APPLICATION FORM FOR PROLIFIC PEPs BY RETURN OF POST

To: Angela Phillips, Prolific Asset Management Limited, FREEPOST, London EC2B 2PR. Tel: 01-247 6544

NAME _____

ADDRESS _____

POSTCODE _____

The value of units and the income from them may go down as well as up. The tax treatment of PEPs may be changed by future legislation. Prolific Asset Management Limited is a member of IMRO.

Committed to your investment success

MARKETS		STOCK INDICES	
STERLING		FT-SE 100	
New York lunchtime:	\$1.6228	2,263.8 (+29.0)	
London:	FFr5.7285	FT Ordinary:	1,789.4 (+23.7)
\$1.6245 (1.6180)		FT-A All-Share:	1,123.79 (+1.1%)
DM2.7825 (2.7550)		New York lunchtime:	
FFr6.3000 (2.3125)		DJ Ind. Av.	2,720.27 (+24.55)
FFr2.4000 (2.4625)		S&P Comp	340.65 (+2.78)
Y247.50 (248.93)		US LUNCHTIME	
£ index 86.5 (86.5)		RATES	
GOLD		Fed Funds 8.2%	
New York Comex Apr	\$400.55 (399.6)	3-mo Treasury Bill:	yield: 8.15%
London:	\$400.625 (399.25)	Long Bond:	yield: 8.55%
US OIL (Argus)			
West 15.50 (15.50)			
Long 15.625 (15.625)			
Chief price changes yesterday: Page 22			

CONTENTS	
The Budget: Need for a Budget to stop the rot	5
Editorial comments	6
The choice for East Germans	7
Gorbachev as Soviet President	7
A strongman of the people	7
Lombardi	7
A consensus on green taxes	7
Survey: Independent schools	7
Appointments	13
Stock Prices	13
Building Society Rates	13
Commodities Prices	13
Commodities Review	13
Companies UK	13
Economic Diary	13
FT Actuaries	13
FT World Advertisers	13
Foreign Exchanges	13
Gold Markets	13
Int. Companies	13
Leader Page	13
Letters	13
Lex	13
London Options	13
Money Markets	13
Overseas News	13
Recent Issues	13
Share Information	13
Stock Markets	13
Wall Street	13
Bourses	13
OE Ratings	13
UK News	13
General	13
Employment	13
Unit Trusts	13
Weather	13

OVERSEAS NEWS

US rules out any forced return of boat people

By Robin Pauley, Asia Editor

BRITISH hopes that the US will eventually accept forced repatriation of Vietnamese boat people were dashed yesterday when the US Government made plain it would never agree to such a move.

Senior US Administration officials said: "The US Government will never agree to the principle of involuntary repatriation."

Britain forced the first and only aircraft-load of 51 unwilling returnees out of Hong Kong and back to Vietnam in December, a move described at the time by the White House as "odious." There are 56,000 boat people in Hong Kong, of whom 43,000 are unlikely to be accepted as refugees. The US was seeking more time for them to volunteer to return.

UK ministers and officials, particularly Mr Francis Mander, Junior Foreign Office minister, have been insisting that the US Administration was no longer opposed to the principle of mandatory repatriation but was objecting to the timing.

But the US officials said in London yesterday that this was erroneous. The US had blocked agreement on mandatory repatriation at a 29-nation conference in Geneva in January by saying that voluntary repatriation should be given the whole of 1990 to work. But this did not mean that if it failed, the US would agree to mandatory repatriation after 1990.

"This arrangement does not work by the end of the year, we shall have to see what

measures would be required, given our commitment to the principle of first asylum. But I can say with some assurance you will not see the US Government agreeing to involuntary repatriation," said one official.

The US would continue to back measures such as persuading China to respond to the fact that many of the refugees transit through China, and the setting-up of a new holding camp on the Philippines island of Batang. Facilities are ready there for 2,000 refugees, the first of whom will move at the end of this month, and they are to be expanded to accommodate 12,000.

Some have speculated Britain might ignore US hostility and try to return more boat people forcibly, without Vietnamese permission. But this is regarded by the Hong Kong Government and most other observers as an idle threat. Also, Vietnam might arrest all such arrivals, as they have committed an offence by leaving in the first place.

Mr Thorvald Stoltenberg, UN High Commissioner for Refugees, has suggested a scheme to persuade more boat people to volunteer to return. He says William Halliday, writes from Geneva. It involves improved screening in Hong Kong to separate political refugees from the rest; better camp conditions; agreement by Vietnam to accept voluntary returnees; and aid for the areas in Vietnam from which the refugees come.

Dragonair has Cathay operation into China

By John Elliott in Hong Kong

CATHAY PACIFIC Airways, the Hong Kong airline controlled by the Swire family, yesterday announced that it was withdrawing from China and handing its Peking and Shanghai flights over to Dragonair, a small Hong Kong airline which it manages and jointly controls with Peking's China International Travel and Investment Corporation (Citic).

This is expected to speed up Dragonair's expansion as a feeder airline into China. Cathay also hopes that it will help it develop a good working relationship with Peking. It needs this if the airline is to survive as Hong Kong's principal air carrier after the colony reverts to Chinese sovereignty in 1997.

It was agreed in Peking two weeks ago that Dragonair would have rights to scheduled flights offering 1,500 seats a week both to Peking and Shanghai. This absorbs five flights to Peking and seven to Shanghai presently run by Cathay as scheduled flights and by Dragonair as charters.

It was also announced yesterday that Cathay has been given licences by the Hong Kong Air Transport Licensing Authority to operate services to Vietnam. Subject to government negotiations on the flights and on the opening of a Vietnam visa office in Hong Kong, Cathay hopes to start flying this route by the end of the year.

S Africa earmarks funds for black welfare

By Patti Waldmeir in Cape Town

SOUTH Africa is to earmark R1bn (222m) in proceeds from the privatisation of state assets for use on social programmes to benefit blacks, a move aimed at countering black suspicions of Pretoria's privatisation programme.

So far this week, the Government has announced a total of R1bn to be made available for "socio-economic upliftment" programmes for blacks, in an apparent effort to influence negotiations which begin next month with black leaders.

Yesterday, Pretoria and the African National Congress (ANC) announced that a first round of talks would be held in Cape Town on April 11, aimed at removing obstacles to negotiations on a new constitution.

The meeting will be the first between the ruling National Party and exiled leaders of the ANC, though the South African President, Mr F.W. de Klerk, and the ANC's deputy president, Mr Nelson Mandela, met twice before Mr Mandela's recent release from prison.

Mr Mandela yesterday took a tough line on the meeting, saying it "must produce a result" if the two sides were to continue talking.

Mr Alfred Nzo, the acting President of the organisation, is to lead the ANC delegation. But it was understood yesterday that he and Mr de Klerk might withdraw after the initial session, leaving the hard bargaining to Mr Mandela and senior Government ministers.

On the agenda of the meeting will be the ANC's demand that the state of emergency imposed in 1986 be lifted. However, Mr de Klerk said yesterday no such move would be made until warranted by the security situation in the country.

Mr de Klerk said R1bn of the funds would be administered by Government, and would be spent on education and acquiring land for black urbanisation.

The rest, including the privatisation proceeds, would be put into a trust to be administered by the Urban Foundation, a business-backed lobby which has long pressed for economic

and social reform.

The Board of Trustees of the larger fund was expected to include prominent black leaders, possibly including senior members of the ANC.

Some of South Africa's largest private sector corporations were also expected to contribute to the fund, with one prominent businessman suggesting that as much as a further R2bn could be mobilised in this way.

Mr James Baker, US Secretary of State, is to visit South Africa next week for meetings with Mr de Klerk and Mr Mandela. It will be the highest-level contact yet between the US Administration and the new South African government.

nationalising banks, mines and some other industries.

The ANC says nationalisation is necessary to ensure redistribution of wealth, and believes Pretoria's privatisation drive is aimed solely at removing state assets from the control of a future black government.

Mr de Klerk said R1bn of the funds would be administered by Government, and would be spent on education and acquiring land for black urbanisation.

The rest, including the privatisation proceeds, would be put into a trust to be administered by the Urban Foundation, a business-backed lobby which has long pressed for economic

and social reform.

The Board of Trustees of the larger fund was expected to include prominent black leaders, possibly including senior members of the ANC.

Some of South Africa's largest private sector corporations were also expected to contribute to the fund, with one prominent businessman suggesting that as much as a further R2bn could be mobilised in this way.

Mr James Baker, US Secretary of State, is to visit South Africa next week for meetings with Mr de Klerk and Mr Mandela. It will be the highest-level contact yet between the US Administration and the new South African government.

Peres confident on peace talks coalition

New administration would offer hope for West Bank talks, Hugh Carnegie writes

MR Shimon Peres, the leader of Israel's Labour Party, yesterday expressed confidence he could form a new administration committed to peace talks with the Palestinians, following the fall on Thursday night of the Government of Mr Yitzhak Shamir.

Mr Shamir's strenuous efforts to keep his hardline Likud Party in power after the collapse earlier in the week of a 15-month-old coalition with Labour were thwarted by a 60-45 vote of no confidence, in the Knesset (Parliament), the first time an Israeli Government had ever suffered such a defeat.

Mr Shamir's stubborn refusal to accept the US-backed proposals for Israeli-Palestinian negotiations on a settlement in the Israeli-occupied West Bank and Gaza

vetoed threats to unseat him as Likud leader from Mr David Levy, a prominent rival from the party's uncompromising right wing.

If Mr Shamir, now aged 74, chooses to resign, his preferred successor would probably be Mr Moshe Arens, the Foreign Minister, although he would face strong opposition from the party right.

Labour, in recent years depressed by its loss of electoral ground to Likud, was well-pleased by its victory. But Mr Peres's claim yesterday that 70 of the Knesset's 120 members would back a narrow coalition led by himself was almost certainly premature.

If he is right, it offers the best hope for a revival of US-backed proposals for Israeli-Palestinian negotiations on a settlement in the Israeli-occupied West Bank and Gaza



Peres: Decisive move

Strip. Mr Shamir's refusal to accept the US terms prompted the breakdown of the Likud-Labour coalition, and peace efforts are now frozen at least

until a new Israeli Government emerges.

The process formally begins tomorrow when President Chaim Herzog begins consulting party leaders before calling on one of them to try to form a new administration.

As happened after inconclusive general elections in late 1988, when Likud won 40 seats and Labour 39, most attention will fall on the four colourful religious parties.

They are typically governed by venerable elderly rabbis - Torah Sages - to whom their members of parliament defer. They hold the balance of power because the clutch of small left- and right-wing parties will almost certainly line up behind Labour and Likud respectively.

Mr Peres is clearly optimistic that he has now broken the hold Likud has had over the religious parties for the past

decade or more. In Thursday's vote, the decisive move against Mr Shamir was the abstention of five of the six members from Shas, the party of ultra-orthodox Sephardic Jews. Another religious party, Agudat Israel, voted with Labour.

Some religious leaders broadly favour the US peace proposals and may be prepared to give Mr Peres his chance. But they remain instinctively closer to Likud policies than the liberal, secular line of Labour. They are more upset with what they see as broken promises to them on religious issues by Mr Shamir than anything else.

The religious parties could still go in any direction, including trying to force Likud and Labour back together. In this uncertainty, nothing should be written off, including the tenuous Mr Shamir.

Storm greets HK Bill of Rights

HONG KONG'S proposed Bill of Rights was published yesterday in a consultative form amid a barrage of criticism from community leaders and lawyers. John Elliott reports from Hong Kong.

They attacked the government for not stating that it will be supreme above all future laws after the Colony has returned to Chinese sovereignty in 1997. The Bill is intended to ensure that basic liberties, which now operate under British sovereignty but are not recognised in China, will continue after 1997.

In the wake of last year's Tiananmen Square crisis, the Hong Kong and UK governments decided to introduce a Bill detailing the international covenants and they said it would be legally entrenched and supreme above all other laws.

China then ruled out post-1997 entrenchment by making

it clear that the Basic Law, which it has drafted as Hong Kong's future mini-constitution, is supreme.

But it has agreed that the international conventions should be written into the Basic Law.

Mr Michael Suen, Hong Kong's Secretary for Constitutional Affairs, yesterday admitted that the Bill was subordinate to the Basic Law and that China could reject it. But this would be in contradiction of the 1984 Sino-British Joint Declaration on the 1997 handover and, it is assumed, would cause an international uproar.

Government officials hope that sufficient case law and public awareness of human rights will develop in Hong Kong before 1997 to make it extremely difficult for China to breach the basic liberties which range from freedom of

speech and movement to the handling of criminal offences and deportation. The Bill is to be entrenched for the years up to 1997 through the UK's letters patent system to help it become established.

Lawyers and other leaders last night said that the government should face up to China, and write into the Bill that it is entrenched and supreme after 1997, even if this would be difficult to sustain in the courts.

It is a point of reservation in the consultative document. These include permitting disciplinary procedures against prisoners and armed forces personnel, which are inconsistent with the Bill, and operating restrictive immigration legislation.

There is also a provision that, in line with current practice, the Colony's legislative and executive councils need not be elected.

Indian coalition crisis

THE 100-day-old National Front coalition led by Mr V.P. Singh, India's Prime Minister, was plunged into its first crisis last night when Mr Devi Lal, Deputy Prime Minister and Agriculture Minister, submitted his resignation from the Cabinet. K.K. Sharma reports from New Delhi.

Mr Devi Lal, who played a key role in the selection of Mr Singh as Prime Minister, gave no reason for his move, which comes just before Monday's

budget. He would not say either whether he would withdraw if it asked to by the Janata Dal (People's Party) to which he belongs.

Mr Devi Lal has been under heavy pressure recently to act against his son, Mr Om Prakash Chaudhary, who succeeded him as Chief Minister of the north-western state of Haryana last December.

The attack has intensified recently because of controversies involving Mr Chaudhary.

Austerity measures forecast

AUSTERITY measures to curb a budget deficit rise are forecasted in the Indian Government's annual review of the economy, which warns of the risks of growing inflationary pressures and balance of payments strains. David Housego reports from New Delhi.

The survey, published yesterday, is the first presented by the new administration of Prime Minister V.P. Singh and is a prelude to Monday's budget, keenly awaited here as the first firm pointer to the government's economic policies.

The need for deflationary steps is presented against the background of an economy seen slowing after last year's record growth. The survey forecasts a real GDP increase of 4.4 per cent this financial year (April-March) against 10.4 per cent for 1988-89.

The present year's deficit is expected to be larger than forecast, the survey says. Net borrowing from the central bank had risen 26 per cent to the end of January, against 18 per cent the previous year.

Foreshadowing tighter fiscal policies, it says that in curbing expenditure "difficult decisions will be necessary", and points to possible cuts in government subsidies.

On the revenue side, where rises this week of 17 per cent for first class rail fares and 10 per cent for rail freight have prepared the corporate sector and the middle classes for sharp tax rises on Monday, the survey speaks of the need to "increase the yield from direct taxes".

The review gives indirect confirmation to reports that the Government intends to offer low-interest bonds and an amnesty to those willing to bring "black money" out into the open. It speaks of export expansion as a priority in curbing the payments deficit. In what seems the forerunner of tax measures to limit further expansion of large industrial groups, it says trade and tax policies should stress more labour-intensive development, whether for export or the home market.

US official optimistic about semiconductor target in Japan

By Ian Rodger in Tokyo

A SENIOR US trade official has expressed optimism that foreign semiconductor will capture 20 per cent of the Japanese market by the end of 1991.

"We remain optimistic. This is a goal that can be reached," Mr Michael Skarzynski, Assistant Secretary of Commerce, trade development, said in Tokyo yesterday after meetings between Mr Robert Mosbacher, Commerce Secretary, and top executives of several large Japanese manufacturers.

The goal derives from a now famous side letter attached to the 1986 Japan-US semiconductor agreement. That letter said the Japanese side welcomed the US expectation that the share of foreign chips in the Japanese market would rise

from about 8 to 20 per cent by the time the pact expires.

The US has said this constitutes a commitment, but Japanese officials have occasionally said it was only an objective. Mr Skarzynski said yesterday that indications from the Ministry of International Trade and Industry (MITI) and the Japanese private sector were that everyone was "working together towards that goal."

Until the past few months, progress has been painfully slow, and the foreign market share is still slightly below 13 per cent. But penetration is now increasing and Mr Skarzynski said that while time was running out, he was heartened by recent progress, and reaching the goal was "certainly a possibility."

Executives of Toyota Motor, Honda Motor, Nissan Motor, Matsushita Electric, Sony, Sharp, Sanyo Electric and Victor Co of Japan, who met Mr Mosbacher, all committed themselves to raising their share of sales from foreign chip suppliers, he added.

Mr Tadashi Kuma, president of Honda, was reported as saying the group aimed to raise its purchases of foreign chips from 1 per cent of total purchases last year to 10 per cent next year.

Intimacy on the quality of US-made chips not being up to Japanese requirements had disappeared. "By and large, quality was not viewed as an issue," Mr Skarzynski said.

Spending boosts economy 4.9%

By Stefan Wagstyl in Tokyo

THE Japanese economy grew last year by 4.9 per cent, powered principally by a surge in industrial capital investment, supplemented by strong consumer spending, according to figures published yesterday.

Japanese expenditure on private plant and equipment grew by 17.8 per cent over the year, following a similar increase in 1988. Total investment, which exceeded US capital spending for the first time in 1988, was last year about 50 per cent more than that of the US.

Domestic demand grew by 5.9 per cent, according to the Government's Economic Planning Agency (EPA). Exports grew 15.4 per cent and imports 21.4 per cent.

In the fourth quarter of last year, the economy grew at a seasonally-adjusted, annualised rate of 3 per cent, following an unsustainable 13 per cent in the third quarter. EPA officials said this indicated continuing steady expansion.

The current economic expansion was now likely to exceed the 42-month growth period recorded in 1968-1981, the second-longest since World War II.

The longest post-war expansion was one of 57 months recorded in the mid-1960s. "There is no basic change in domestic demand-led economic growth," an official said.

Japanese wholesale prices rose by 3.5 per cent in February compared with the same month last year, according to the Bank of Japan. Prices rose by 0.1 per cent from January, due mainly to a 1 per cent increase in import prices, fuelled by the decline in the yen.



YOU CAN SEE WE REALLY MEAN BUSINESS

When you're flying to Spain on business, Iberia gives you the choice you need. Every day we fly direct from Heathrow to Spain's thriving business centres.

There are 3 daily flights to Barcelona, 3 daily flights to Madrid - 2 of them are in the comfort of wide-bodied Airbus, and a daily service to Seville, Bilbao and Valencia.

Direct daily flights also run from Manchester

to Barcelona and Madrid, and we have a regular four day a week service from Birmingham.

And once you're in Spain, we've got the connections to keep your business moving, linking with internal flights to 26 other Spanish destinations.

Iberia's Preference Class provides the business traveller with an unrivalled service which includes exclusive airport lounges in Madrid, Barcelona and Bilbao.

So if you're looking for a reliable service from one of Europe's most on-time airlines, it's time you took a look at Iberia.

Contact your Business Travel Agent for details or ring your local Iberia office.

IBERIA
AIRLINES OF SPAIN

London 01-437 5622

Manchester 061-436 6446

Birmingham 021-443 1953

Glasgow 041-248 6681



**FREE £10.00
DUTY FREE
VOUCHER**

This offer is available to members of Iberia's Business Traveller's Bonus Scheme. To join and claim your \$10 Voucher complete the coupon and mail to the address below, or phone 01-267 9123.

By return we will send you an application form. Complete and return this form and we'll dispatch a \$10 Duty Free Voucher with your membership card and introductory pack. Membership is available to all bona fide business travellers who are residents of the UK or Ireland.

Send this coupon to: Iberia's Business Traveller's Bonus, FREEPOST 1399, Heathrow, Borealis SL1 4BL.

Vouchers valid until 31.12.90.

Mr/Ms/Miss _____ Initials _____
Surname _____
Home Address _____
Post Code _____

FT/172

UK NEWS

Thatcher unbowed by Labour's poll lead

By Ralph Atkins and Richard Tomkins

MRS Margaret Thatcher yesterday ignored Labour's commanding lead in the opinion polls and confidently predicted an "excellent" result in the Mid-Staffordshire by-election next Thursday.

In an attempt to shore up Tory morale in the constituency, the Prime Minister said it was "essential" that the voters returned a Conservative to Westminster.

She acknowledged widespread concern about the community charge, or poll tax, but said: "In the majority of cases, this is borne out of uncertainty, not out of principle."

The new system was "much fairer and more accountable than the rates ever were."

Her comments, in a letter to Mr Charles Prior, the Conservative candidate in Mid-Staffordshire, indicated a stepping-up of efforts by Government ministers to calm nerves among Tory backbenchers.

Throughout the week, Conservatives have been plagued by gloomy opinion polls, speculation about a possible leadership challenge and disquiet about the poll tax.

Mr Patrick Cormack, MP for Staffordshire South, was

among Tory backbenchers who voiced disquiet yesterday. He said the Prime Minister ought to consider passing on the leadership "within the next couple of years, either before or immediately after the election."

The Prime Minister's letter also marked an intensification of the Mid-Staffordshire by-election campaign. Labour has been buoyed by an opinion poll in yesterday's Daily Telegraph giving it a lead of 19.5 percentage points.

Mr Neil Kinnock, the Labour leader, said in Mid-Staffordshire that a win for his party would be "a notice to quit to

Mrs Thatcher." He said: "The attitudes being expressed and the reasons for people moving their votes go wider than the poll tax. What they see is that it is not an accident of Thatcherism, it is actually the essence of Thatcherism and all the things that have been done wrong and are going wrong."

Labour also sought to capitalise on speculation at Westminster that Mr John Major, the Chancellor, would introduce extra community charge relief for the poor in his Budget on Tuesday.

Mr David Blunkett, opposition spokesman on local gov-

ernment, said: "Due to the public outcry it is now clear that the Government are seriously considering changes to the rebate rules."

Mr Kenneth Baker, Conservative party chairman, retaliated last night in a speech to Mid-Staffordshire voters in which he protested at the support some Labour MPs have given to the campaign backing non-payment of the poll tax.

Mr Baker complained that the Labour leadership had said "nothing to condemn the 28 Labour MPs who are promoting the Militant-backed campaign."

Kinnock escapes airborne collision

By Richard Tomkins, Midlands Correspondent

TO SAY he dined with death might be putting it a bit strong, but there was a moment during Mr Neil Kinnock's visit to Mid-Staffordshire yesterday when he looked in danger of prompting an untimely by-election in his own constituency.

The Labour leader was on a whirlwind helicopter tour of Mid-Staffordshire culminating in a walkabout in the cathedral city of Lichfield, the constituency's "capital."

The day started well as Mr Kinnock arrived after a rail and car journey at Chartley Hall, a stately home nestled in the countryside north of Rugeley, to take coffee with millionaire businessman Mr David Unwin, 41, and his wife, Ros.

Mr and Mrs Unwin are a great coup for Labour. As local property magnates with interests in plant hire and transport, they were Conservatives until a year or so ago.



Mr Kinnock and the Labour candidate, Mrs Sylvia Heal, airborne after their close encounter with an RAF Tornado

But high interest rates - and the consequent effect on their businesses - wrought a conversion to Labour.

As a gesture of support for Labour the Unwins forked out £400 to hire a Bear Jet Ranger helicopter and pilot for a couple of hours to give Mr Kinnock an aerial view of Mid-Staffs.

As coffee was taken indoors, the helicopter and its pilot stood bathed in the warm

sunshine on the lawn in front of the house. Only the presence of the mass media and a pungent aroma of manure marred the rustic idyll.

The omens turned for the worse when the helicopter pilot, Mr Tony Hall, jauntily confided that, as a local entrepreneur, he would cast his lot for the Tories in the by-election next week.

"I think the poll tax is great. I'm going to be £300 a year

better off because of it," he said. "Besides, I like to think I can see the bigger picture."

Minutes later, just as the helicopter was lifting off with Mr Kinnock and Mrs Sylvia Heal, the Labour candidate, on board, an RAF Tornado jet fighter on an unannounced low-flying exercise roared through the tree-tops a couple of hundred feet away.

In the wholly uncontrolled

air space, it later emerged, only a combination of luck and the skill of the pilots would have prevented a collision had Mr Kinnock's helicopter taken off a few seconds earlier.

Mr Kinnock, busily waving to the cameras, seemed oblivious to the closeness of the call. In a day of omens, the portent of the opinion polls was the one that counted above all.

Big drop in vehicle production

By Kevin Done, Motor Industry Correspondent

UK vehicle production showed a sharp fall in February as a result of falling demand in UK car and commercial vehicle markets and the closure of two Ford plants due to industrial action.

Car production in February at 95,212 was 16.9 per cent lower than a year ago, while commercial vehicle production fell 55 per cent to 13,334 from 29,644 a year earlier.

Vehicle output was hit heavily by the closure of Ford assembly plants in Halewood, Merseyside, which produces the Escort, and in Southampton, which produces the Transit van. There was no production at either plant throughout February, but output was resumed this month with the ending of strike action by mechanical craftsmen and electricians at Halewood.

Output in the UK truck industry has been falling for several months in response to worsening domestic demand and most manufacturers are operating three- and four-day weeks. UK truck makers are overwhelmingly dependent on the domestic market.

The steep decline in output in February follows falls of 4.8 per cent in car production and 22.5 per cent in commercial vehicles output in January.

On a seasonally adjusted basis car output in the six months to the end of February was 4 per cent below the previous six months and 3 per cent below the corresponding period a year ago.

UK commercial vehicle output in the past six months, on a seasonally adjusted basis, was 3 per cent lower than the previous half year. It was 13 per cent lower than the corresponding six months a year ago.

NOTICE TO WARRANTHOLDERS OF NINON KOHLEN CORPORATION

U.S. \$50,000,000

4 1/8 per cent. Guaranteed Notes 1993 with Warrants

Pursuant to Clause 4(A) of the Instrument dated 21st April, 1988 (the "Instrument") relating to the above-mentioned Warrants, notice is hereby given as follows:

1. At the meeting of the Board of Directors of Ninon Kohlen Corporation (the "Company") held on 20th March, 1990, resolution was adopted to make a free distribution of shares of common stock of the Company ("Shares") on 21st May, 1990 on the basis of 1 new Share for every 10 Shares held on the record date of 21st March, 1990; and

2. As a result of the above free distribution of Shares, the Subscription Price (as defined in the Instrument) will be adjusted from \$11.575 per Share to \$11.432 per Share with effect from 1st April, 1990.

17th March, 1990

NINON KOHLEN CORPORATION

By The Salomon Bank, Ltd., London Branch as Fiscal Agent

Parkinson warns of cuts in rail services

By Charles Leadbeater, Industrial Editor

BRITISH RAIL will be expected to revise its corporate plan and cut loss-making train services as the economy slows, Mr Cecil Parkinson, the Transport Secretary, said yesterday.

He told a Conservative Party meeting in Northampton that under-used services should be reduced to avoid wasting taxpayers' money, but added that the slowdown would not affect

big investment projects. BR's corporate plan was prepared last summer on the basis of relatively optimistic assumptions about prospects for economic growth.

BR said revenues in Network SouthEast had fallen by £40m, mainly because fewer people were using rail services for leisure travel, particularly shopping trips to London.

The slower rate of growth in the City, which has led to a number of redundancies, has also forced BR to reduce services.

It said that only nine services had been cancelled, though the average length of trains had been reduced to take account of lower passenger numbers. It had also put off small investment projects

in the south-east such as car park extensions and station refurbishments.

The Council for the Protection of Rural England, a conservation group, called on Mr Parkinson to hold a public inquiry to clear up the controversy over the environmental impact of proposals for a high-speed rail link to the Channel tunnel.

Clapham crash widow awarded £106,881

THE WIDOW of a victim of the Clapham rail disaster was awarded £106,881 agreed damages against the British Railways Board yesterday.

It was the first case over the question of damages to reach the courts.

The board admitted liability at an earlier stage.

Mrs Carol Perry-Lewis, 43, of Bournemouth, Dorset, lost her husband Austin, a 49-year-old

money broker, in the crash in December 1988. He was one of 35 people who died.

At the High Court in London, Mr Justice Drake approved an award of £106,881 out of the damages sum to the couple's son.

After the short hearing Mrs Perry-Lewis, a company executive, accused the British Railways Board of treating bereaved families and injured

survivors "very, very shabbily." She said: "It is appalling that my family and I have had to come to court in order to achieve a sensible figure after the loss and tragedy we have been through in the last 15 months."

The final judgment sum against the British Railways Board was £94,381.11p as Mrs Perry-Lewis had already received a £12,500 interim pay-

ment. The board said the offer was generous. It attributed the delay to the fact that final details of the claim had been received on March 6.

The board had made its offer of settlement last Wednesday. By the beginning of this month, 177 of the 392 claims arising out of injury had been settled out of court and six of the 35 claims arising out of bereavement had been settled.

Budget surplus expected to shrink to about £7.5bn

By Simon Holberton, Economics Staff

THE Government's Budget surplus is likely to have shrunk to about £7.5bn by the end of the financial year. If, as expected, the March deficit is estimated at the time of last year's Budget.

Figures released by the Treasury yesterday show that the Government repaid £1bn of debt in February to produce a cumulative public sector borrowing requirement surplus of £9.7bn for the first 11 months of the financial year.

This time last year its cumulative surplus was £16.7bn.

The PSBR usually produces

a hefty deficit in March, as Whitehall seeks to spend its 1989-90 appropriations ahead of the new financial year. If, as expected, the March deficit is between £2bn and £3bn then this year's PSBR outturn will be about £7.5bn.

In November the Treasury scaled down its expectations for the PSBR surplus to £12.5bn. In January Mr John Major, the Chancellor, said this year's outturn would be "somewhat" less than he had previously estimated.

The startling contraction in the Government's fiscal surplus has taken many

in the City by surprise. Much of the shortfall has been attributable to "one-off" factors such as the Government's £1.6bn "Green dowry" for the privatised water industries in England and Wales, and an estimated £2.7bn extra cost associated with the take-up of personal pension plans.

Some City economists believe that there has also been a fundamental change in the Government's finances.

They believe the decline in the surplus, although exaggerated by special factors, has been set in train by slower

economic growth and the prospect of large increases in public spending being awarded in the autumn public spending round.

A notable feature of the recent furor over the community charge, or poll tax, was the willingness of the Government to promise subsidies for next year's poll tax without a mention of its aim of reducing public spending as a percentage of national income.

Last month's debt repayment was twice the level estimated by City economists and appears to be largely

Dalyell asks OFT to probe purchase of Scottish foundry

By James Buxton, Scottish Correspondent

THE OFFICE of Fair Trading has been asked by Mr Tam Dalyell, the Labour MP, to investigate the purchase last week of a steel foundry at Armadale, West Lothian, by William Cook, the Sheffield-based steel foundry group.

Mr Dalyell, MP for Linlithgow, is angry that the purchase means dismantling the foundry with the loss of about 170 jobs when rival bidders were preparing an offer which could have enabled it to stay open.

He wants the OFT to examine the purchase of the foundry from North British Steel in the light of what he calls William Cook's dominant position in the UK steel foundry industry. William Cook, he says, bought the foundry only in order to close it.

The OFT said last night it was looking into the issue. The Armadale foundry was sold to William Cook for an

undisclosed price by North British Steel's parent company Aurora, the Sheffield engineering company which belongs to Australian National Industries (ANI). That is controlled by Mr Kerry Packer, the Australian businessman.

Last month ANI announced that it was closing the foundry and making its 170 staff redundant. Another foundry at Bathgate is being retained with its 230-strong workforce cut to about 100.

Mr Bill Menzies, a former chief executive of North British Steel, said he had been working with financial backers on a scheme to take over the Armadale foundry, which makes high integrity steel castings. He says ANI set a deadline he could not meet and efforts to have it extended failed.

"I'm determined to have the Monopolies and Mergers Commission look into what William

Cook is doing in this industry," Mr Dalyell said. He intended to "go on about this" just as he had campaigned in Parliament over the sinking of the General Belgrano during the Falklands War.

Mr Andrew Cook, chairman of William Cook, said he had bought what would soon be a derelict site to remove some equipment, patterns and records.

"The vendor considered us the only serious purchaser," he said. "There is overcapacity in the international steel foundry industry and anyone who thinks they could make money out of Armadale is living in a land of make-believe."

Mr Peter Wilson of Aurora said that the alternative bidders, including a management buy-out scheme, had had five weeks to make an offer. "We didn't receive an offer which we could measure or quantify," he said.

Closures by Coats to cost 300 jobs

Alice Rawsthorn

MORE THAN 300 jobs will be lost in the west country because of the closure of two shirt factories by Coats Viyella, the biggest British textile group.

Coats is closing the factories - which belong to its Van Heusen shirt business - chiefly because of the difficulty of recruiting and retaining workers in the west country, where the labour market has become increasingly competitive in recent years.

Last autumn Coats announced the closure of another west country factory, at St Austell in Cornwall, with the loss of about 200 jobs.

The Van Heusen closures are also a reflection of the weakness of the shirt market which, like most other areas of the clothing sector, has suffered because of the impact of high interest rates on consumer spending.

Coats, like most of the big textile groups, has been forced

to shed labour in the past 18 months. It reduced its workforce by 4,000 people to 36,000 through closures and disposals last year.

Until recently the shirt sector was one of the more resilient parts of the group. Yesterday Coats announced that its Bridgewater factory, which employs 188 people, will close in June. It will also transfer the production from its Taunton factory to Maydown in Northern Ireland. The administrative functions at Taunton will move to Somerset in Devon.

Coats said that labour availability had been a serious problem in the west country for the past two years. Textiles is an industry which, because of poor pay and low status, tends to have high labour turnover levels. Coats said the cost of training and retraining workers at Bridgewater and Taunton had become "prohibitively high."

Isle of Man will attempt to legalise homosexuality

By Sue Stuart

THE Isle of Man Government is to introduce legislation aimed at legalising homosexuality on the island. It is the Manx Government's second attempt to legislate on homosexual activity.

Adoption of the Sexual Offences Bill would also enable the Government to restore the right to the citizens of petition to the European Court of Human Rights. The right to petition has been withheld by the Manx Government because of the likelihood that the European Court would rule against the Isle of Man on homosexual rights.

The bill was presented to the Manx Parliament in 1987, but a public and political controversy developed over the

clause seeking to legalise homosexual acts between consenting adults over 21 in private. The bill was dropped and the island has remained in contravention of the European Convention on Human Rights, which it has signed.

All other member countries of the Council of Europe have signed the right of petitioning to their citizens.

Mr Miles Walker, Manx Chief Minister, said it was likely that the UK Government would impose legislation unless the Isle of Man, a Crown dependency, acted soon.

The bill will have its first reading on March 27. The revised legislation provides only for a three-year trial period.

NEWS IN BRIEF

Bail and remand in fraud case

THREE men appeared at Guildhall Magistrates Court yesterday charged with conspiring to defraud institutions in the City of £11.6m on or before March 15.

The men were named as Mr Lionel Rawlinson, 67, of Chelsea, Mr Ziaul Islam Siddiqui, 45, of Wembley and Mr Michael Pastides of Ealing.

Mr Pastides was remanded in custody for seven days, while Mr Rawlinson and Mr Siddiqui were granted bail. A fourth man, Mr Christopher Hunsala, 43, of Richmond, was earlier granted bail.

The hearing was adjourned until April 24.

Pensions pegged

THE Government yesterday confirmed that it would amend the Social Security Bill to safeguard the value of occupational pensions. Mr Tony Newton, Social Security Secretary, said in a Commons written reply that pensions would be guaranteed against general increases in line with the retail price index up to 5 per cent.

Credit firm expands

MERCANTILE CREDIT, the London-based finance company, is to strengthen its business finance and phone and mail personal lending operations. It is also to cut the number of its branches from 44 to 28, although branch size will increase. The changes will create a net total of 75 jobs.

MP's widow stands

MRS Jennifer McCusker, widow of Mr Harold McCusker, the former Ulster Unionist MP for Upper Bann who died last month, yesterday confirmed she was seeking the party's nomination in the by-election for her husband's seat.

VAT fraud trial

EIGHT men and a woman were sent for trial at Southwark Crown Court yesterday accused of a £3m VAT fraud. The nine are alleged to have been involved in setting up dummy companies which were used to claim VAT rebates.

Cloves legal aid

MR Peter Clowes and Mr Guy Cramer, two of the seven defendants in the criminal prosecution arising from the collapse of the Barlow Clowes financial management empire, yesterday succeeded in having their legal aid extended.

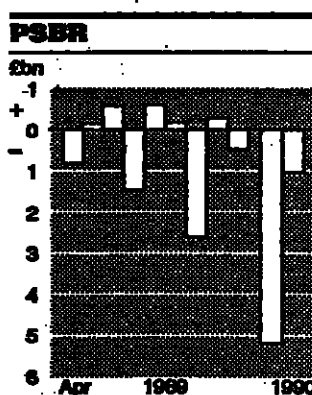
Almost 14,000 cheques for a total of £145m had been paid to Barlow Clowes investors by the end of February, the Department of Trade and Industry said yesterday.

Green awards

WINNERS of the Better Environment Awards for Industry who received awards in London yesterday were:

- Pollution abatement technology - ICFs Catalysts and Technology Licensing Business of Cleveland;
- Green product award - Valsala (UK) of Cambridge;
- Environmental management award - joint winners J. Salansbury and Stockbridge Engineering Steels of Stockbridge, Sheffield;
- Appropriate technology award - joint winners IT Transport of Ardington, Oxfordshire, and Orlam with the Robens Institute of Health and Safety at the University of Surrey.

The awards are sponsored by the Environment Foundation, the Department of the Environment and Shell UK, promoted by the Confederation of British Industry and the Financial Times and administered by the Royal Society for the Arts.



Manufacturing sector flagging

By Rachel Johnson

MANUFACTURING industry is flagging under the burden of high interest rates, according to figures which yesterday showed output growth in the UK in decline for the third consecutive month.

Central Statistical Office data revealed that the output of the production industries - energy and manufacturing - fell by a provisional 0.7 per cent in January.

The City had been expecting the index to rise by about 0.4 per cent on the month to show UK manufacturers finding overseas markets for their goods.

The CSO said strikes had depressed output, and manufacturers had destocked to supply demand.

Economists said the underlying trend also indicated that industry was responding to the Chancellor's policy of cooling

the economy with high interest rates.

In the three months to January total production growth fell by 0.5 per cent. It rose by 1 per cent on the year.

The separate index of manufacturing output showed a fourth consecutive monthly fall. It dropped 0.2 per cent on the month, and 0.3 per cent over the three months to January. The fall comes after a period of near-stagnation since the beginning of last year.

Economists said the figures showed the economy "responding nicely" to tight monetary policy. "The trend is flat, and industrial output will be 1 per cent lower year-on-year by December," said Mr Bill Martin, economist at UBS Phillips & Drew, the Swiss-owned investment bank.

The CSO said factory output had been made more sluggish

by strikes in the aerospace and motor industries.

Oil production had been affected by the weather. Storms had hampered the process of offloading oil from rigs to ships, and mild weather led to less energy consumption, it said.

Those special factors aside, the CSO announced that the falling-off in industrial production had been more marked than it had previously estimated. It revised downwards its estimates for year-on-year growth by half a percentage point to correspond with January's evidence of slowing output.

The CSO's index of the production industries was 110.1 (1985=100) in January, down from a downward-revised 110.9 in December. The manufacturing output index fell from 119.8 to 119.5.

UK NEWS

Test shows if chicken is irradiated

By Clay Harris, Consumer Industries Editor

GOVERNMENT scientists in Northern Ireland say they can detect whether chicken meat containing bones has been irradiated.

Their discovery comes amid a public debate over the irradiation of food, which is due to be legalised in the Food Safety Bill now before Parliament.

One demand by opponents of the process and sceptics is that consumers must be able to know with certainty whether food has been irradiated.

Dr Cecil McMurray, chief scientific officer at the Northern Ireland Department of Agriculture, said yesterday: "I think we're a long way from having a rapid and simple test that

will do what people are expecting."

His research laboratory's technique, using electron spin resonance spectroscopy, has been shown to work only on poultry containing bones, although tests on other foods, including shellfish and shrimp, are continuing.

Poultry has been advanced on public health grounds as the main candidate for irradiation because of the high incidence of bacteria such as *Salmonella* and *Escherichia coli* in British chickens. Irradiation with electron beams or gamma rays has been shown to kill such micro-organisms.

Dr McMurray said, however,

that his laboratory had been unable to reproduce French results on tests with soft fruits. "We would not say that this technique is ready for use on strawberries - that's for sure," he said.

News is expected shortly of another test, using a chemical method, which is expected to have wider applications.

Thermoluminescence, a heat technique used in West Germany to determine whether spices have been irradiated, has not been found to be of use on other foods, Dr McMurray said.

Mrs Ann Foster, the National Consumer Council's food policy adviser, said yesterday:

"We welcome any progress on the development of an acceptable detection technique and urge the Government to give an undertaking that they will delay the introduction of irradiation until one is found."

She added: "This would do much to underpin consumers' confidence that they will be given choice in this matter."

The Government-funded council accepts expert advice that the process is safe, but insists that all irradiated products must be clearly labelled. It also says there must be a fail-safe detection technique and that consumers must have the choice of non-irradiated products.

Victorian charity's cash helps fund centre

By Alan Pike, Social Affairs Correspondent

SKILFUL unlocking of money in dormant Victorian parish charities has helped create a community education and arts centre in one of London's most deprived inner-city areas.

The centre was founded at St Peter's church, London Docks, in the 19th century to help apprentices find lodgings and enable girls in domestic service to obtain training or pay for weddings.

Most of the intended beneficiaries have long since disappeared and the London Docks have gone as well. As a result the charities have been gathering investment income for decades.

But the social problems that drew Anglican missionary priests to St Peter's in the 19th century to work among the urban poor persist.

The parish contains some of the most expensive waterfront property to have been built during the renewal of London's docks.

It also includes a part of the capital distinguished by unemployment, poverty and racial attacks.

Father Derek Peel, rector of St Peter's, and his churchwardens devised the idea of using the money in the charities to turn a disused church school into an education and training resource for the community.

Mr Mark Robson, a senior inland revenues official who lives in the parish and is secre-



Father Derek Peel outside the disused school which is to become a community centre

tary to the project, provided the skills to revive the charitable trusts and persuade the Charity Commissioners that the funds could justifiably be used for a more modern version of relieving the poor.

"There is a vast amount of money tied up in similar, outdated parochial charities at churches in other parts of the country," Mr Robson said.

"The Charity Commissioners told us that our scheme fits in with their ideas for bringing

some of these old charities back to life to meet contemporary needs, and we hope our experience will provide guidance for other projects."

The revival of the charities raised £100,000 towards converting the school.

Presented with this evidence of local initiative, the rector was able to obtain a further £900,000 from the London Docklands Development Corporation.

Further support has come from the Church Urban Fund,

the Church of England's inner-city charity, while Grand Metropolitan is to sponsor a training project at the centre.

One priority will be the training needs of ethnic minorities in an area where many families are Bangladeshi.

Father Peel hopes that the new centre may also provide a means of bringing a little closer together the two communities, advantaged and disadvantaged, which today make up much of the population of the parish.

Full tax relief is sought on giving

Alan Pike examines a challenge to Major from the charitable sector

ONE OPTION for the Chancellor in the Budget would be to cut many people's basic rate of income to 15p.

It is unlikely, unlikely to happen. Even more unlikely, at first glance, is the source of the suggestion - Mr Michael Brophy, director of the Charities Aid Foundation, which advises the voluntary sector on finance and investment.

Many charities, particularly in the social welfare field, are concerned that insufficient public spending has over-stretched demand for their services. So why would a leading figure in the charities movement be advocating further tax cuts on a breathing exercise?

The answer is that charities need more money and, in spite of calls for greater public generosity, growth in financial support by individuals and companies is proving slow. The ultimate solution, in the eyes of Mr Brophy, would be to offer the taxpayer a deal - guarantee an agreed proportion of your income to charity, and your tax bill will be reduced by a corresponding amount.

If half of all taxpayers responded to such an offer, he suggests, the Government could allow them to pay up to 10 per cent of their income as "voluntary tax" reducing the current basic rate of income tax to 15 per cent and transforming charity financing.



Given the Government's

desire to encourage the voluntary sector to take over welfare and other duties previously carried out by public authorities, the idea is not as fanciful as it might appear. But in the short term Britain's charities would settle for more modest changes in next week's Budget.

The Government is under pressure to recognise that exhortation alone is not stimulating sufficient support for charity, and to provide more positive financial incentives. Mr Nicholas True, who was a special adviser at the Department of Health and Social Security from 1982 to 1988, pointed out in a Centre for Policy Studies pamphlet earlier this month that, when the unpaid efforts of volunteers are taken into account, the basic rate of income tax would have to rise by 12p-13p to replace the voluntary sector with public services.

The Government's main

attempt to stimulate public generosity has been through the Payroll Giving Scheme, which offers tax breaks when charitable donations are deducted from salaries.

Limits on the amount of income qualifying for tax relief have been increased in previous budgets, and may rise again next week. And perhaps this will be the year when payroll giving is extended to the self-employed - their current exclusion is remarkable given the Government's commitment to small business development.

In a modest pay-off giving scheme, the Great Ormond Street Children's Hospital Wish Well appeal, in its first two years.

A Budget decision to supplement payroll giving by allowing tax relief on properly receipted donations by individuals and companies would have enthusiastic approval from the voluntary sector.

However, charity organisers would want this to be an addition to, rather than a replacement for, convenants which are an essential source of regular income.

For convenants, the sector hopes the Chancellor will tidy an anomaly arising from the

move to independent taxation for husbands and wives. Charities risk losing the money they now get from convenants signed by non-taxpayers, which conveyed tax rebates to their taxpaying spouses. The Charities Tax Reform Group has told the Chancellor it could not have been the Government's intention to end these rebates, and it hopes he will allow all existing convenants to continue to attract them.

The group is pressing the Chancellor to relieve charities of the burden of value added tax on some aspects of their activities - this costs many big charities £1m or more a year, and is likely to at least double with EC VAT approximation after 1992.

Charities see the EC proposals as the most serious VAT threat, but would welcome help from the Chancellor next week on some immediate specific points - like zero-rating alterations and extensions to buildings used for charity work, goods and services used in it.

And if charity directors cannot expect to see the basic rate of income tax cut to 15p next week, they would be among the few groups in the country happy to see it go up. The charity sector would welcome relief with every 1p that comes off income tax, and gains a corresponding amount when 1p goes on.

Fowler calls for rise in 'popular' child benefit

By Ivor Owen, Parliamentary Correspondent

SIR NORMAN FOWLER called yesterday for an increase in child benefit. Sir Norman, who was speaking in the Commons, resigned from the Cabinet in January to spend more time with his family.

He also urged Mr John Major, the Chancellor, to help working mothers in his first Budget on Tuesday. He suggested tax concessions linked to the use of child care facilities.

As Employment Secretary Sir Norman acquiesced in Cabinet decisions which resulted in child benefit being frozen at its 1987 level of £7.25 a week. He now believes that it would be wrong to abolish child benefit or allow it to wither by continuing the freeze.

Without mentioning Mrs Margaret Thatcher, Sir Norman rejected her view that because of the indiscriminate nature of child benefit, it was preferable to target any additional expenditure on the poor

rest through family income support. He described child benefit as "popular and effective", and stressed that it brought help to countless families.

Sir Norman urged the Chancellor to drop the rule that women paid more than £8,500 a year should be liable to income tax for a "benefit in kind" if they used child care facilities provided by their employers.

He said it was anomalous to tax such provision while ignoring employees who were allocated free parking space. "We are in a right muddle as far as this is concerned," he added.

Sir Norman and Mrs Edwina Currie, the former junior Health Minister, backed tax incentives to encourage employers to provide child care vouchers. Mrs Currie said vouchers would not only be preferable to workplace nurseries but would enable the Government to "do something popular for a change."

EMPLOYMENT

Poultry farmers win wage rise to pay poll tax

By Ian Hamilton Fazey

MSF, the management, science and finance trade union, yesterday claimed a "very significant breakthrough" by persuading a leading agricultural employer to increase pay to cover the poll tax for farm managers and their wives.

The agreement covers 100 chicken farmers employed by JP Wood (Poultry) who live in tied properties in Shropshire, Clwyd and Anglesey. The union hopes to get the agreement extended to 40 turkey farmers employed by the company mainly in East Anglia.

Rates on the tied properties were met by the company, which owns them. Initial indications were that the farmers would be expected to meet the company charge themselves.

The farmers will be paid an extra £512 a year to cover all or most of the cost of the poll tax for a two-person household. The union accepted that members' adult children would have to pay their own way.

The community charge ranges between £250 and £340 in the areas concerned.

Co-op agrees 8.5% rise for 70,000 staff

By Michael Smith

THE CO-OPERATIVE Movement has agreed wages of 8.5 per cent for its 70,000 shop clerical, transport and catering workers in one of the first pay deals this year in the retail industry.

The rise is a percentage point higher than last year's deal and 0.8 percentage points above the inflation rate.

The Co-op is one of the largest retail employers and the deal, agreed by the Co-op Employers' Association and the Joint Trade Unions, will influence negotiations in progress at other employers including Harrods, Burton Group and Littlewoods.

As part of the deal, Co-op societies will be recommended to consider crèche facilities, for employees, when they plan new stores.

The deal, which has to be ratified by the individual retail co-operative societies and trade union members, will cost the employers about £20m over the next 12 months.

Textile members of the Transport and General Workers' Union turned down a 7 per cent pay offer by the wool textile employers group. Textile financers, however, are being recommended by the union to accept an 8.5 per cent pay increase.

Civil Service to open workplace nurseries

By Diane Summers, Labour Staff

THE Civil Service's first workplace nursery will open next week at the Department of Social Security in Hartford and a further six nurseries are to follow during the year. Mr Richard Luce, Civil Service minister, said yesterday.

"In the tighter labour market employers need to demonstrate that they are caring and willing to help their workers combine job and domestic responsibilities," Mr Luce told a children's conference.

A total of 24 nursery feasibility studies were under way around the country and a further study, funded by a dozen Government departments, would look at the scope for setting up nurseries in and around London and extending playschemes, Mr Luce added.

The National Health Service already operates a small number of workplace nurseries jointly with the Midland Bank, the leading private-sector employer in the field. The Midland plans to set up 300 nurseries around the country within five years.

A number of organisations, including the all-party Commons Employment Committee, have urged the Government to stop counting the provision of workplace nurseries as a taxable benefit.

British Coal raises redundancy offer

By Lisa Wood, Labour Staff

BRITISH COAL, which will seek further redundancies this year because of new supply arrangements with electricity generators, yesterday announced additional lump sum redundancy payments of between £2,500 and £10,000.

The sums are supplementary to those in the basic British Coal Redundancy Scheme which came into operation on January 1. The maximum payment is now £37,000.

Kingston shop stewards oppose Bae package

By Michael Smith, Labour Correspondent

SHOP STEWARDS at the Kingston-Upon-Thames plant of British Aerospace yesterday recommended rejection of a package aimed at ending an 18-week strike which has severely curtailed production of the Harrier II aircraft.

Their recommendation will be conveyed to the 1,100 striking manual worker who will meet on mass next Thursday. It dashes the company's hopes of an early end to the last of strikes at three plants which have been staged as part of a national engineering union campaign for a shorter working week.

However, Mr Dave Gollop, secretary of the trade union side at the plant, said yesterday that a settlement was in sight in the longer term. "We are getting closer," he said.

The Kingston talks began later than those which settled the disputes at Chester and Preston. The delay was caused

in part by the company's threatened suspension, later lifted, of two strikers for alleged picket line offences.

Mr Gollop said yesterday that the plant management's conditions for reducing the 38-hour week for most manual workers by two hours were more onerous than those conceded at Chester.

Although they were on a par with concessions at Preston, most workers felt the company was demanding too much.

In particular there was concern about the demand for a loss of tea breaks which amount to half an hour each day.

Workers were also concerned about the introduction of a double day shift system in the assembly areas and the possibility of the company making the system compulsory if there were not enough volunteers.

Mr Gollop said the unions were prepared to look at the company's demands for work flexibility and tea breaks but not to concede as much as the company wanted in the package.

Bae said the deal would bring in a 37-hour week by March 1991, when a four-and-a-half day week would be introduced. Other benefit for workers would include an improved sick pay scheme and the removal of penalties for lateness in certain cases. Training would also be improved.

Although manual workers represent only about a third of the Bae Kingston workforce, their absence has severely hit Harrier II production. Since the strike began three fuselages have been produced for the aircraft, which is made in conjunction with McDonnell Douglas, against a normal annual output of 45.



Roger Poole, ambulance unions' chief negotiator, and Joan Ruddock, MP for Deptford, handed out 'Thank You' letters to passing motorists in south London yesterday, following the end of ambulance workers' six-month dispute.

The Department of Health said that ambulance crews returned to work across the country, with the exception of the West Midlands where part of the workforce was not expected to go back until Monday morning.

Seafarers reject call for strike

By Lisa Wood, Labour Staff

SEAFARERS' representatives yesterday rejected a call for strike action in protest at the move by British ship owners to withdraw from joint national pay bargaining in the industry.

Instead, delegates, meeting in London, agreed to approach employers with a request for negotiations in order to "secure the best possible deal for members".

Earlier this month employers, represented by the British Shipping Federation, gave six months notice of their intention to withdraw from the National Maritime Board, set up in 1919, which negotiates pay and conditions for the shipping industry on a national basis.

Among the agreements that would end is one setting up the

Merchant Navy Establishment, a body funded by shipping companies that supplies seafarers to all ships operating on NMB agreements. Seafarers who work for several companies have their benefits, including severance pay, calculated on an industry-wide basis.

The NUS said following yesterday's delegates' meeting that it would ask the employers to honour all past service in the industry for future severance purposes for all currently-registered seafarers. People joining the industry after joint national pay bargaining ends in September would be excluded from these proposed arrangements said the NUS.

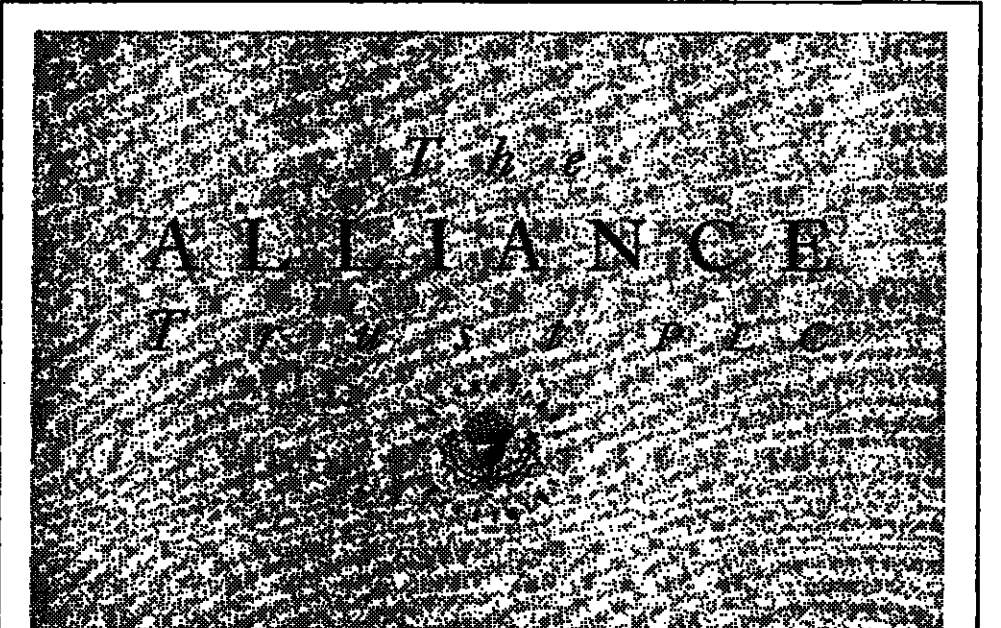
The union will also seek guarantees on pensions and full redundancy payments for

members unemployed at the termination date.

The NUS said: "There were calls at the meeting for strike action but these were overwhelmingly rejected by a vote of 61 to nine. This was because of the Government's anti-strike laws as well as fears that such a call would be what the employers wanted. In addition, if we could not guarantee 100 per cent support there could be a long trickle back to work."

Numast, which represents ships' officers will be discussing its strategy towards the employers' ultimatum later this month.

National pay bargaining in the industry has been under pressure with a number of companies recently abandoning national pay bargaining.



Final Results for 31st January 1990

- DIVIDEND Up 15%. Increased from 31p to 35p.
- CAPITAL Up 17%. Net asset value per stock unit £13.68.
- TOTAL ASSETS Up 17%. £690 million. 50% UK, 30% US, 10% Europe, 10% elsewhere.
- LOW-COST PEP The Alliance PEP provides a flexible and low-cost means of investing in The Alliance Trust PLC and a wide range of other equities. 1989/90 subscriptions for up to £4,800 (maximum £2,400 for investment in the Trust) must be received by 28th March 1990.

The Alliance PEP is managed by Alliance Trust Savings Limited, a member of FIMBRA.

For a copy of the Annual Report and PEP booklet, please fill in this coupon and send it to The Secretary, The Alliance Trust PLC, Meadow House, 64 Reform Street, Dundee DD1 1TJ.

Name _____

Address _____

Postcode _____

The contents of this advertisement have been approved for the purposes of the Financial Services Act 1986 by IFMFG Post Marketing. Past performance is not necessarily an indication of future performance as share prices may fall as well as rise.

AUCTION THIS SUNDAY, 11.30 AM.

MASSIVE LIQUIDATION AUCTION

As result of recent U.S. Federal Bankruptcy Court Ruling Enforcing Closure of world famous prestige New York Fifth Avenue Department Store

FINEST, EXTREMELY VALUABLE, CONNOISSEUR SELECTION, HIGHEST RETAIL QUALITIES, AUTHENTIC HANDMADE

PERSIAN, ANATOLIAN,

AFGHAN, CHINESE

and other exceptional, outstanding & decorative

ORIENTAL RUGS & RUNNERS

in all sizes including 5' x 8' to 12' x 18' and 12' x 12' to 12' x 15'

Urgent attempt on behalf of creditors to clear vast retained warehouse stock contracted exclusively for world-renowned Oriental Rug Dept. of New York Store stopped in transit after Bankruptcy Court Ruling

IMMEDIATE SHORT NOTICE

PUBLIC CLEARANCE AUCTION

SUNDAY, 18th MARCH, AT 11.30am SHARP

View from 10.30am

Due to U.S. Bankruptcy Court Decision, this outstanding merchandise stopped and retained in transit to be sold piece-by-piece where held

SKILLION STORAGE WAREHOUSE

67-71 Bondway, Vauxhall, London SW8

(Situated 200 yds. from Vauxhall Bridge, opposite New Elms)

Payments: Cash, Certified Cheques, Major Credit Cards

Appointed Auctioneers:

BICKENSTAFF & KNOWLES, Specialist Auctioneers

67 The Arcade, Thorpe St. London SW7 2NA

Telephone: 01-589 7971. Fax: 01-589 2592

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 01-573 3000 Telex: 922186 Fax: 01-407 5700

Saturday March 17 1990

The choice for East Germans

"WE GERMANS in the Federal Republic of Germany will respect the decision of the Germans in the GDR, no matter what choice they make. But I have no doubt that that decision will be."

So said the West German Chancellor, Mr Helmut Kohl, in his speech in Davos last month. He was referring, of course, to the East German decision for or against unity with the West. And his confidence in the outcome is justified because, in the four months since the opening of the Berlin Wall, the tide of history has already swept away the idea that any significant proportion of East Germans would favour preserving a separate and sovereign East German state. Tomorrow's election will in all probability be the last as well as the first in which the citizens of the German Democratic Republic are called on to choose their own parliament, and so indirectly their own government.

Even the communists (formerly Socialist Unity Party, now "Party of Democratic Socialism") are not fighting this election on an anti-unity platform. It now takes for granted by all parties that unity is coming. The argument is about how fast it should come, and on what terms.

Everyone agrees that the present economic situation in the GDR is not tenable. It is estimated that something like one third of the population is ready to leave if there is no clear prospect of improvement after the election. Yet providing that improvement will be difficult. Given the relatively low productivity levels of East Germany, a West German standard of living for some is all too likely to mean unemployment for many others.

No alternative

Nevertheless, there is no alternative to union. Only massive investment of public and private West German capital will persuade the population that there is a future in the East; and such investment presupposes the effective unification of the two states' economic, monetary and legal systems.

By far the simplest solution, from a purely economic point of view, would be for the East German state, or rather its component Länder, simply to apply for membership of the Federal Republic, using Article 23 of its Basic Law - which is what Mr Kohl has proposed.

In any case, the economic dimension is not the only one to be considered. Many East Germans, while anxious to share in the Federal Republic's prosperity, resent the idea that unity should take the form of

an Anschluss or annexation. Partly this is a psychological issue - a feeling that East Germans have a right to some say in the shaping of the united state. But it also reflects anxieties about social issues which materially affect the interests of individuals and families just as much as economic ones do. Security of employment, especially for women, with corresponding provision of crèches or kindergartens, and security of tenure in low-rent housing, are two areas in which many voters feel the need for protection against the effects of instant unity.

Future opposition

Such fears may help to save the ex-communists from extinction at the polls - especially as they are campaigning, with disarming modesty, as the future opposition, not the future government. But probably the biggest beneficiary will be the Social Democrats, who have the advantage of being an all-German party yet critical of the Federal Republic's social shortcomings.

If, as expected, the SPD emerges as the largest party, and therefore the leader of what will probably be a broad coalition government, the process of unification will be complicated by the fact that the two governments, in Bonn and East Berlin, will represent opposite sides in the West German election on December 2. Chancellor Kohl may be tempted to take a firm and unyielding line in his dealings with the new East German government. But he should keep in mind his own pledge to "respect the decision of the Germans in the GDR, no matter what choice they make." That must apply not only to the choice for or against unity, which has already been made, but also, in some degree, to the choice of the kind of unity envisaged and the route by which it is to be reached.

The issue of greatest interest to non-Germans - the relationship of a united Germany to NATO and the Warsaw Pact - is not a major issue in these elections. No East German party is campaigning for the immediate withdrawal of Soviet troops. This should be a relief to West Germany's allies, because it suggests that the timetable for this aspect of unification can be a little less rushed than that of economic unity. Although a new security order in Europe is clearly needed in the medium term, it does seem possible to envisage a transitional period in which Germany is economically and even politically united, but remains divided for security purposes.

John Major may be pushed into electoral pragmatism, says Peter Norman

Mr John Major has had a rotten Purdah. Murphy's Law has been hard at work in the nine weeks since the Chancellor and his officials disappeared behind the door of the Treasury to work on this year's Budget.

What could have gone wrong has gone wrong. The Government's prime goal of lower inflation has become more elusive amid signs that the retail price index will rise to about 9 per cent in April before falling. The trade and current account deficits, after declining steadily since last August, rose again in January.

Another totem of Britain's former world wide economic supremacy - the trade surplus from "invisibles" such as banking, overseas investments, tourism and transfer payments - has disappeared to be replaced by a deficit. Retail sales, instead of being suppressed by 15 per cent bank base rates, rose sharply in December and January.

The two economic indicators which are supposed to have a special effect on monetary policy - the sterling exchange rate and M0, the narrow measure of money supply - are flashing red.

The pound slumped only days after the Treasury had congratulated itself on the recovery to the "Lawson level" that preceded immediately before the former chancellor's resignation in October. M0 stays stubbornly above the 1 to 5 per cent growth corridor that was targeted for the 1989-90 financial year in last year's Budget.

Mr Major's economic woes have been compounded by the Government's political difficulties. Opinion polls show the Labour opposition extending its lead over the Tories to 20 per cent and more. Introduction of the community charge, or poll tax, has been deeply unpopular and has brought the spectacle of demonstrations and riot police into the nation's living rooms. As a prime minister, Mrs Margaret Thatcher no longer appears unassailable.

If Mr Major were an ordinary mortal the political storm clouds and recent economic disappointments might tempt him to follow the example of some of his colleagues and quit to "spend more time with his family."

But the Chancellor, we must assume, is made of sterner stuff.

An ambitious politician in his own right, he knows that mid-term Budgets such as this year's can play an important part in setting the conditions for an election victory.

This is especially the case with the Budget on Tuesday. Not only will it be the first to be televised live from the House of Commons, but it will be followed on Thursday by the Mid-Staffordshire by-election, where a previously rock solid Conservative seat is confidently expected to fall to Labour.

Anything that Mr Major can do to stop the rot can be expected to yield big dividends for himself and his party.

But the Chancellor cannot be governed by political expediency alone. Every utterance will be monitored by City economists, who have become increasingly alarmed at the apparent resilience of UK consumer demand, in spite of the monetary squeeze. The men and women so frequently derided by Mr Lawson as teenage scribbles cannot be ignored so long as Britain depends on inflows of foreign funds to finance its international payments deficit.

Many in the City want the Chancellor to announce a "tough" Budget, although opinions divide over what this might entail.

Worries about whether the Government's fiscal stance is tight enough have mounted, with near halving of the Government's Budget surplus during this financial year. There is also

Need for a Budget to stop the rot

concern about increased Government consumption since last Autumn's decision to boost public spending by £5bn in 1990-91 and the firing of higher than expected local authority poll taxes, all of which will be translated into increased public spending.

Some economists, such as those at Goldman Sachs, the US-owned securities house, think the Government will respond with a £1bn net increase in taxation. At James Capel, the stockbrokers, chief UK economist, Mr Keith Smeeth, says the Chancellor should raise revenues by £5bn if he wants to keep policy on course after the increases in Government spending announced last Autumn.

Others, including Professor David Currie, of the London Business School, warn that fiscal tightening would lead the foreign exchange market to expect early interest rate cuts causing sterling to fall.

Since taking over from Mr Lawson, the Chancellor has stressed that over-inflation is his number one objective. He has said that success against inflation is also essential to electoral victory.

But since October he has tended towards masterly inactivity. While at times this has appeared to calm financial markets, it has also left doubts about the Government's determination to match rhetoric with action.

The accompanying table helps explain why the markets are uneasy. High and rising base rates have so far failed to unwind the effects of the domestic demand surge of Mr Lawson's Chancellorship. The table and chart show how inflation has exceeded Government expectations and how strong demand in Britain has sucked in imports, in spite of unbalanced supply side gains in the 1980s.

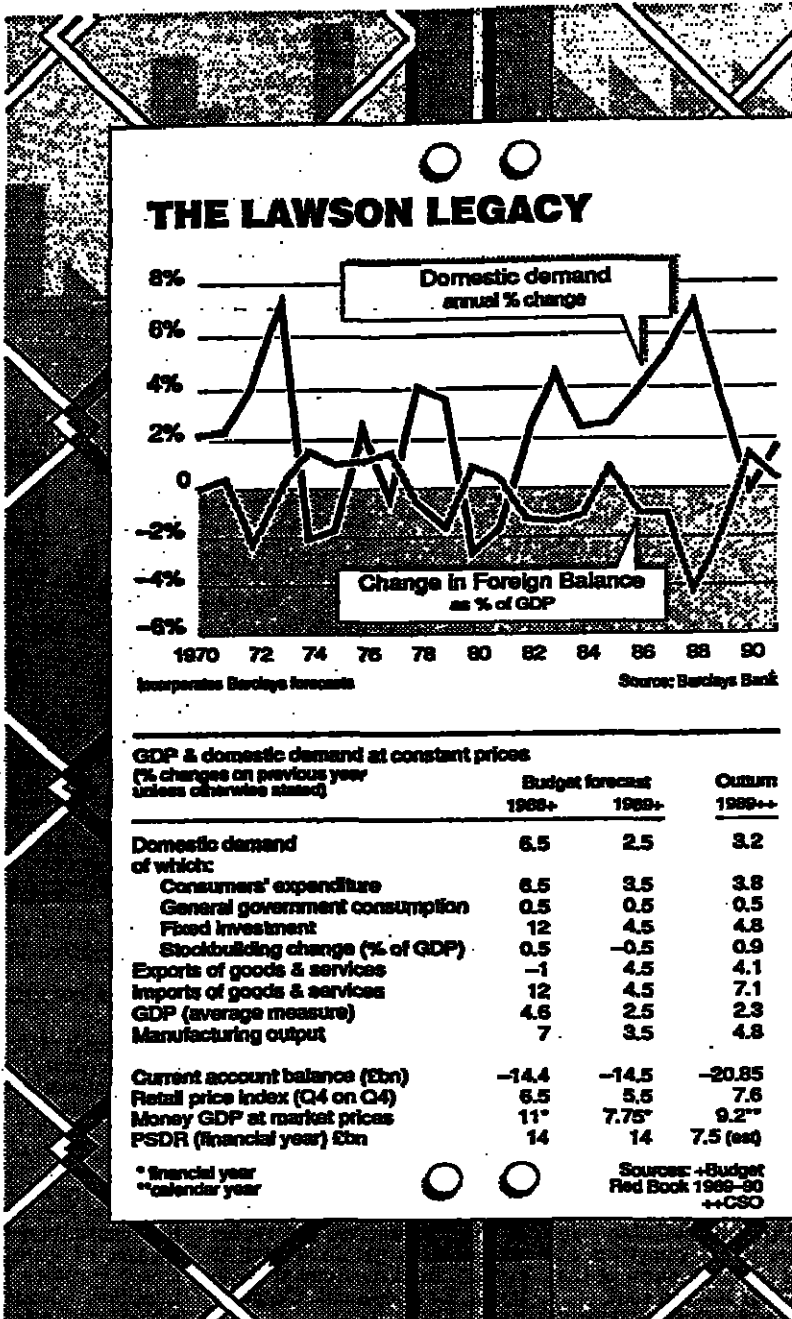
But the markets are also politically astute, and may give Mr Major the benefit of the doubt if his Budget is perceived as bearing electoral dividends. The recent run on sterling, for example, was at its worst when overseas investors feared that Mrs Thatcher's premiership was at an end.

In forming his Budget judgment, Mr Major will be able to reflect that his colleagues in Government have been partly to blame for recent inflationary pressure. Rail fares, water charges and electricity bills are all rising by more than inflation. The poll tax could add about one percentage point to the RPI in April.

His main fear must be that the ballooning of what Mr Lawson's used to call an inflationary "blip" could fuel a wages explosion. Recent labour market studies show that unions and employees regard the annual rate of RPI as the base for wage negotiations. High pay awards, such as the 10.2 per cent settlement at Ford, have yet to feed through into the average earnings figures, which in January showed an unchanged underlying 3.25 per cent annual rise.

Although the Chancellor has insisted that there is no likelihood of an early interest rate cut, the one-off nature of the administered price increases and the delicate state of the pay round make him especially anxious to avoid any new rise in base rates.

Increased base rates boost the retail price index via higher mortgage rates - the February increase in



mortgage rates to 15.4 per cent will add about 0.5 points to the RPI. They also fail to deter consumption by the wealthy and many elderly people who are obtaining higher interest income on their savings.

High rates also carry a very high political cost for the Government among groups such as clerical and administrative workers, junior managers and skilled manual workers. These people are in the most heavily mortgaged social classes, having bought the Government's message of home ownership in the 1980s. They voted Mrs Thatcher into number 10 Downing Street in three successive elections. Opinion polls suggest that they are shifting their allegiance to the Labour Party as mortgage rates bite.

Mr Major's first Budget must therefore please the City to prevent interest rates rising. In an ideal world, he should go all out to defeat inflation while giving the Government a tight-

chance of winning the next election which must be held by mid-1992 at the latest.

But the Government has almost certainly left itself too little time to achieve both of the latter objectives. Instincts of self preservation and past experience suggesting that underlying inflation of about 5 per cent is no barrier to electoral success in Britain are therefore likely to push Mr Major in the direction of electoral pragmatism while keeping up a strong counter inflationary rhetoric.

Throughout Purdah, the Treasury has insisted that the Budget will be "prudent and cautious." Expectations have been depressed to such an extent that a do-nothing Budget would come as no surprise.

Given the time lags normally associated with monetary policy and the effect of this year's inflationary target dropping out of the index after 12 months, existing policies could produce a fairly rapid decline in the inflation

rate from the first half of next year. That could open the way for lower base and mortgage rates in a pre-election period.

Remarks made by Mr Major about economic policy before going into Purdah do nothing to diminish the idea of a low key Budget. He has opposed the active use of fiscal policy to fine tune the economy. In spite of Britain's still low savings rate, he has appeared unwilling to give a big boost to personal savings, arguing that savings will be given some impetus from the independent taxation of husband and wives that comes into effect in April.

There has been much debate over whether he will decide against indexing the tax-free income tax allowances in line with inflation to trim demand. But this would be unpopular with Conservative MPs and have only a marginal effect in Britain's £500bn economy. It is thought unlikely that Mr Major will follow the example of Mr Lawson last year and try to massage down the annual inflation figures in the short term by not indexing excise duties on alcohol and tobacco.

If the Chancellor wants to raise extra cash, he should be able to play the "green" card, raising the tax burden on company cars and possibly levying additional taxes on pollutants such as new cars not equipped with catalytic converters.

But such a Budget would risk indifference among his supporters and the nation. Although the Budget now plays a far less significant role in steering Britain's economic fortunes than previously, it still retains a political magic that economic pundits ignore at their peril.

According to Sir Geoffrey Howe, now Deputy Prime Minister and Mrs Thatcher's first Chancellor, it is "a remarkable event in that it is virtually unique in British political history in that it is a set of political decisions becomes such a centre of attention, and centres so personally on the Chancellor."

With the Budget televised for the first time on Tuesday, the packaging of Mr Major's speech will be all important and it would be wrong to rule out surprises.

It is anybody's guess whether Mr Major has any rabbits in his hat. There has been some speculation that the Chancellor may make some announcement on the timing of British entry into the Exchange Rate Mechanism of the European Monetary System to calm the markets. There have been suggestions that he might change the tax rules to assist working mothers with childcare facilities, and perhaps alter the mortgage interest relief rules to help hard pressed homeowners.

Professor Mervyn King, of the London School of Economics, who was an unofficial adviser to Mr Lawson on tax matters, points out that an extension of tax relief to cover interest payments on mortgages of up to £60,000 from £30,000 at present would be revenue neutral if relief were allowed only at the basic rate of tax. The beneficiaries would be hard pressed middle class voters while higher rate taxpayers, who have benefited from the poll tax, would lose. The whole package could be presented as a significant simplification of the tax system.

Such a move would breach long established Treasury policy and mark a major change in style with the Lawson Chancellorship. It would have to be combined with convincing performance of counter inflationary intent.

But Mr Major will have to do something on Tuesday to grab the headlines and stir his own supporters in the Commons. Otherwise he risks throwing away the biggest opportunity of this year's inflationary target dropping out of the index after 12 months, existing policies could produce a fairly rapid decline in the inflation

MAN IN THE NEWS

Michael Heseltine

Building a bridge between party and ambition

By Philip Stephens



He might loathe the Prime Minister, but he would not be foolish enough to confront directly a leader who, despite her present troubles, has delivered three election victories.

Sitting this week in his less-than-ostentatious office in Victoria, Mr Heseltine would still not admit the possibility. To do so would be disloyal. In the Conservative Party disloyalty is rewarded with political oblivion.

By the end of this year lower inflation and the prospect of falling mortgage rates would offer the prospect of a recovery in the Government's fortunes; and the Conservative Party never loses its nerve," he insisted.

Just a few hundred yards away in the House of Commons, his friends were discreetly fuelling disaffection with Mrs Thatcher among the growing number of her supporters alarmed by the Government's precipitous drop in the opinion polls.

Most at Westminster remain unconvinced that she could or will be forced from office.

A direct challenge from the MP for Henley would tear the party apart and there is nothing to suggest that she might go quietly. But the effortlessly smooth, self-made millionaire - variously nicknamed Goldilocks or Tarzan - cannot afford not to allow for the possibility that his chance may come sooner rather than later.

The campaign that began on the day he stormed out of the Cabinet has moved up a notch. His platform is an intricate blend of policies which contrives to be both loyal and distinctly un-Thatcherite.

A foray this week into the Mid-Staffordshire by-election campaign provided the perfect opportunity for a well-publicised demonstration.

The wide-eyed party faithful packed into local pubs and village halls were treated to a stinging attack on a Labour party which threatened to deliver Britain into the stagnant socialism from which eastern Europe had just escaped. If Britain was to compete in the world of the 1990s there was no alternative to the self-reliant, entrepreneurial society which the present Government stood for. Then, however, came the hint that all was not quite well in Mrs Thatcher's Britain. As the audience drove home in their foreign cars to homes full of foreign-made appliances they should reflect on the challenges Britain still faced.

There were also questions. Why were we not as well-educated or well-trained as the Germans or the Japanese? Why were our public services not up to scratch?

Here was Mr Heseltine's agenda: a partnership between industry and government and a commitment to education and training that does not seem to have been strong enough during the 1980s. The other central strand in

the manifesto is the passionate commitment to European integration which was at the root of his decision to quit the Government and which more recently prompted him to set out his own blueprint for European monetary union.

His speeches - usually heavily coded to avoid charges of disloyalty - are barely encrypted when they touch upon Mrs Thatcher's rather different vision of the role of Brussels.

Mr Heseltine bridges the critics who see his vision of a more powerful Department of Trade and Industry, of a more active approach to training, research and development and to 1980s-style interventionism.

"They should come and talk to me... look at what I did in Government."

His record at Environment and at Defence indicated that he was not in the business of throwing public money at problems.

Ideology might persuade others not to admit reality but the fact was that the Government intervened already. What was wrong with making sure that it was effective?

But if it is hard to see a man who has become so rich by building up his own publishing company - Haymarket - as a friend of socialist subsidies, his is a capitalism on the West German or Japanese model rather than on the Thatcherite model.

It is not his policies or the impetuous personality behind his theatrical departure from the Cabinet which will deliver him the keys of Downing Street if his campaign is successful. Above all else he deserves his support from the perception that he is a winner in a party which cannot contemplate losing.

The most interesting aspect of his visit to Mid-Staffordshire this week was not what Mr Heseltine said. It was rather that his audiences were three or four times larger than any experienced by the stream of cabinet ministers who had preceded him.

Whether you're acquiring factories, offices or equipment, an improved cashflow could be your greatest asset.

Cashflow is never far from the thoughts of the Finance Director in all substantial companies.

At RoyScot Corporate Leasing we too recognise its vital importance.

And our innovative approach to types and lengths of leases creates a surprising variety of solutions.

We well understand that the needs of a company pursuing high growth are different from one consolidating its position. And it's our policy to make the lease fit the needs (not the other way round).

You'll no longer lock up capital against a depreciating asset. On the other hand, one you already own can be made liquid through sale and leaseback.

After all there must be better places in your business for funds to be at work.

And you won't have to write off the benefit of writing down allowances. In fact you'll get it instantly, so you'll be spared the usual nine month wait after the year end.

Should you find your tax capacity likely to be exhausted then consider ours. (We have the capacity of The Royal Bank of Scotland Group at our disposal.)

So when you're looking at acquisitions, it costs nothing to talk to us. (Speak to Tom Carr at our head office on 0242 224455, or Bill Lowe at our London office on 01-623 4356.)

You're sure to find us an asset for your business.

RoyScot Corporate Leasing

IT'S OUR BUSINESS TO HELP YOUR BUSINESS GROW.

Royal Bank Leasing Limited. Registered in Scotland No. 58213.

A member of The Royal Bank of Scotland Group plc.

*The King is dead.
Long live the King.*

Thus in another era the sacred ranks of the Soviet Congress of People's Deputies might have cried, as this week they dutifully re-elected Mr Mikhail Gorbachev as their head of state, from a ballot paper with just one name. A surprising number — almost 500 out of 2,000 — even dared to say no, in the secrecy of a genuine secret vote, and in the confident knowledge that it would make no difference.

He began the week as President, and he finished in the same role. Before, he was a partial executive president, and partially chairman of the Supreme Soviet. Now he is a full-time executive president. So what? Was it worth four days of stormy debate, separate bargaining behind the scenes, dire warnings of civil war, threats of resignation, and accusations of impending dictatorship? On the surface, at least, none of the facts have changed. The Old Team is still in charge. Underneath, however, it is potentially the most important constitutional reform Mr Gorbachev has yet got around to.

Some radicals do indeed fear the advent of a new dictator. They see a consistent process, ever since the Soviet leader became general secretary of the Communist Party five years ago, of ever greater concentration of the reins of power. His own allies angrily deny it. First, they say, he is less powerful, not more. And, second, he never wanted the job. It was thrust upon him.

"When we started the reform process, many people said we had to institute a presidency," says Mr Georgi Shakhmurov, a personal aide to the president. "Gorbachev said a presidency was not in the Soviet tradition. The tradition was collegial. It was a sort of shyness. He was afraid that someone would accuse him of having too much power. Yet when he became president he had more power than any Soviet leader before him."

"Louis XIV had to deal with the Estates General. The General Secretary was an absolute monarch. His power was absolute. You know of any example in history where a man has such power, and he tries to put it under control? He has created a Congress of Deputies and a Supreme Soviet to share power."

The truth is that the idea of an executive presidency has gathered widespread support

Quentin Peel examines what Mr Gorbachev can achieve with his new presidential powers

A strongman of the people

In recent months, from the left as well as the right, as the awful combination of a disintegrating economy, race riots, and the growing demands for outright secession from non-Russian republics, has called the whole direction of perestroika into question.

However, the republics themselves were much more suspicious of the idea. Why create a strong central president, just when they were supposed to be creating a genuine federation, with real devolution of power? They demanded. Moreover, another problem was that while there was a rather vague agreement — in the Russian heartland — that a strong presidency was needed, everyone seemed to want it for conflicting reasons.

The first was to have strong and swift action to deal with emergencies — like the explosion in Azerbaijan — and to have a strong president to declare a state of emergency was declared for days in Baku, the Azerbaijan capital, until the massacre of Armenians was over. In the event, it looked suspiciously as if the Soviet troops only intervened when the local government was in danger of being overthrown. On the other hand, whatever the outlying republics said, Mr Gorbachev's supporters have argued that a strong president was also needed to negotiate the basis of a new federation.

Another persuasive argument for the presidency was to deal with the economy — and economists have been among its staunchest advocates. They have seen attempts at reform and reformers like Mr Gorbachev being overthrown by entrenched bureaucratic resistance within the government apparatus, and partly because of popular pressure on the elected deputies in the Supreme Soviet.

Behind the need to tackle the economic crisis has been the fundamental ambition to create a clear division of responsibility between the three arms of state authority — the executive, the legislature and the judiciary — something that has never existed before in the Soviet Union.

where all three overlapped, and were in turn totally dominated by the Communist Party.

As long as President Gorbachev attempted to be both executive president, and chairman of the legislature, the distinction was hopelessly blurred, his advisers argued. Most important of all, it was clear that only the creation of an independent executive president, directly elected by the people on the basis of universal suffrage, could hope to complete Mr Gorbachev's stated ambition of getting the Party out of government.

The question now is whether the Soviet leader, armed with the constitutional powers approved with pain and confusion this week can hope to accomplish all of those ambitions at once, at a time when the Soviet system is all but disintegrating around him.

For a start, he was forced to compromise considerably on his emergency powers, in order to win the two-thirds majority needed for constitutional reform. If proof was needed of the greater limitation on presidential power, that was it.

He had to agree that his veto power could not override a two-thirds majority in both houses of the Supreme Soviet. And he also conceded that any state of emergency imposed without the consent of the republics' congresses must be endorsed by the Supreme Soviet without delay, also with a two-thirds majority.

His ability to negotiate a new Union Agreement, with Lithuania already half-way down the road to secession, and with Georgia and Armenia jostling to be next in line, is also in some doubt. On the other hand, he may be able to present himself as something of an independent referee in the negotiations with all the republics, either by secession, or over a new deal within the union. But to do that he needs most of all trust.

Mr Yuri Afanasyev, enfant terrible of the unofficial opposition — the so-called Interregional Group — in the Congress of Deputies gave a damning definition of what he

called "the paralysis of power" which has hamstrung the Soviet leadership. "The cause (of the crisis) is not the absence of power, but the absence of trust," he declared. "Fear has disappeared from this society, but gone with it is trust in the present leadership."

Mr Gorbachev urgently needs to recreate that trust. Perhaps his most important new attribute is the power to act by decree without waiting for approval by the Supreme Soviet, or by the Council of Ministers, provided he keeps within the constitution. He is set to use that in the very near future, drastically to accelerate the pace of economic reform.

Almost certainly that will mean measures to ensure that the new laws on land and property, allowing peasants to keep their land in perpetuity, are enforced at local levels; to dismantle the existing structure of industrial ministries; to accelerate the process towards price reform, combined with measures to ensure protection of the poorest from inflation; and to move rapidly towards establishing markets including both commodity and stock exchanges. All that was promised in Mr Gorbachev's inauguration speech. "We have 100 days to prove ourselves," Professor Nikolai Petrakov, the president's economic adviser said yesterday.

Yet a real word of caution came from his friend and colleague Dr Leonid Abalkin, the deputy prime minister in charge of economic reform, who has seen his own plans to introduce a centrally planned economy seriously watered down. "The president has today more possibilities, and, to a certain extent, more independence," he said this week. "But we have to remember that the only way to successfully implement a policy is to have popular support."

He admitted that without having held direct elections, Mr Gorbachev had yet to earn it. "We have to sit at a table with all the forces which have the trust of society, and make a collective programme of action."



That vision, of something like the round tables seen in Eastern Europe, had an echo in Mr Gorbachev's speech. His job, he declared, was to consolidate all social forces and movements in Soviet society. In the long term, it is Mr Gorbachev's ability in his new role to distance himself from the bankrupt ideology of his own Communist Party which is most important.

The challenge for Mr Gorbachev is not simply to rule with a stern hand, by decree, and drag the Soviet Union into his vision of a humane and socialist future. Rather, it is to encourage all the alternative structures the society needs, which have been stifled since 1917. That means not just a strong presidency, but a strong parliament, and — worst of all — a strong judiciary.

LOMBARD

A consensus on green taxes

By David Thomas

THERE ARE the glimmers of a consensus about the future direction of environmental policy in Britain — a consensus which would place greater emphasis on influencing the behaviour of polluters through economic instruments working through the market.

That much emerges from two papers published in the past month. The first, in a collection of essays in the Oxford Review of Economic Policy, concludes that the "way forward lies with market-based incentives — taxes, charges, deposit-refund systems, tradable permits, and off-set policies." The second was co-authored by Professor David Pearce, adviser to Chris Patten, the Environment Secretary.

As a *cri de coeur* from Professor Pearce, this may be no great surprise. But it has been schooled in reports published this week by the Institute for Public Policy Research. This new think tank, set up to inject fresh ideas into policy debate on the Left, is proposing a raft of measures to steer manufacturers and consumers in environmentally desirable directions.

Greater reliance on economic instruments would be at the expense of "command and control" regulation, by which polluters are legally obliged to achieve specific pollution standards. Opinion is switching for two main reasons.

First, a tax or charge has lower resource costs than regulations. One study suggests that a command-and-control approach can on occasion cost over 10 times more than market-based methods to deliver the same environmental goal. Second, charges give polluters an incentive to continue to improve their environmental quality, whereas the incentive disappears once polluters reach the prescribed level on a regulatory approach.

But there is another reason for favouring economic instruments: a reason spelt out with great force by Professor Partha Dasgupta in the Oxford collection. Market-based approaches will encourage the value of natural resources to be adequately reflected in economic calculations for the first time.

This may seem an unduly intellectual reason for preferring one policy approach over another. But bringing natural resources in from the periphery of economic debate would help the governments of the world come to terms with their environmental problems.

Natural resources are in one sense central to all economic activity, yet they find little room in economic discourse. Since environmental costs are not reflected in the prices of natural resources, we know that countries exporting primary products are subsidising them, but we cannot put any figures on these subsidies. Since environmental resources are not regarded as part of the world's capital stock, we have little data on the way these stocks are changing. Indeed, there are some countries which have almost no information on their forest cover, rates of soil erosion or water supply.

Prof Dasgupta argues that market-based pollution instruments would help fill this data vacuum, as they would create private incentives for obtaining information about resource stocks and the technology of resource generation, on a par with the knowledge that now exists about the value of technological advance. If lowland farmers could claim compensation from upland timber merchants, both sides would have a reason to investigate the relation between deforestation and soil erosion.

Perhaps the main problem with such market-based approaches is imagining how they could be brought to bear on the international environment — the very problem which is engaging increasing attention. Some economists are contending against the notion of international pollution taxes or tradable pollution permits. But there is a Catch-22 problem: governments are unlikely to agree to such innovative approaches because of the lack of hard information on data on the extent of pollution.

Economic Policy Towards the Environment. Oxford Review of Economic Policy, Spring 1990. Green Taxes. IPPR, 18 Buckingham Gate, London SW1E 6LB. 55.

LETTERS

Food irradiation: safeguards needed to protect consumer choice

From Mr A.E.H. Salvesen.

Sir, Clive Harris ("Irradiation can reduce food poisoning," March 2) reported that Professor Moseley told the conference in London on May 12 that irradiation treatments that "the main reason for introducing it into the UK will be for public health benefits" and that its use could be justified on shelf-life.

I am chairman of Dawfresh Seafoods Ltd and Starfish Ltd, which together are one of the major UK importers and packers of cold water prawns and I

do not believe this process is necessary at all. We are insistent on quality and it is part of our normal routine to inspect the plants in foreign countries where we buy the prawns. The biological results that we achieve are acceptable to the most critical of our customers and we have no wish to find that dirty products are being irradiated and returned to the market for human consumption. That would be to create a risk, not avoid it.

I can understand the Government's view that people should

have the freedom to choose irradiated food if they so wish, but I would be disturbed if this technique was legalised before.

There are established methods to determine whether a product has been irradiated or not. All products that have been irradiated are required by law to be clearly marked on the packaging in large letters, and not just by a symbol, to show that they have been IRRADIATED. It is illegal for any catering

establishment to sell anything irradiated without this being clearly declared on the menu.

The Government has stated unequivocally that the consumer will be given freedom of choice but there is no provision in the Food Safety Bill that requires caterers and fast food outlets to declare that the food they are selling has been irradiated and thus make the consumer aware and give him or her the choice.

Although these are my personal views and those of Dawfresh Seafoods and Starfish

Ltd, I am also chairman of the Shellfish Committee of the UK Association of Frozen Food Producers and on a committee of the British Frozen Food Federation. They have already made representations to the Government urging it to delay legalising irradiation at this stage until more facts are known and tests are established. A.E.H. Salvesen, Chairman, Dawfresh Seafoods, North Shore, Whitehaven, Cumbria

Karl Marx turns green

From Mr Nicholas Karides.

Sir, Would you please inform Mr Martin Jacques that his interview with Karl Marx ("A glass of red, Mr Marx?" Weekend FT, March 10) must have been a dream. I had an exclusive with Mr Marx the other day and he would talk of nothing but green politics.

Nicholas Karides, Park House, Stilemans, Morden, Godalming, Surrey

School-leavers' qualifications

From Mr Ann Robinson.

Sir, Mr Jerry (Letters, March 13) seems determined to continue to mislead himself and others. I fear I must "sound off" again.

Neither juggling with statistics nor the creation of new labels can conceal the unpleasant fact that some 40 per cent of British pupils leave school without a single higher grade in a public examination. The Department of Education and Science statistics (Annual Abstract Table 5.5) make this quite clear. They also reveal that the factor which had the most impact in raising the percentage of all school-leavers obtaining one to four A-C grades was raising the school-leaving age to 15 in 1972. Before that the figure was around 18 per cent. By 1975 the figure had risen to 25 per cent. It has remained remarkably stable at around this figure for over a decade and stood at 26 per cent in 1988.

I am surprised that Mr Murphy made no reference to this in his last letter. Nor can I

understand how he can persist in believing that either the introduction of a new lower level examination or, as he is now claiming, some modest increases in the numbers gaining higher qualifications can constitute sound evidence for a genuine leap in the basic educational attainment level of those 40 per cent of school-leavers who do not obtain even one higher grade.

This 40 per cent, and arguably many of the one to four A-C grade holders, still leave school without the basic level of educational attainment which would enable them (and British business) to compete on equal terms with our European Community partners and others.

Academics should be devoting every effort to correcting this continued weakness in basic education, not wasting time playing with figures and throwing sticks at business.

Ann Robinson, Head of the Policy Unit, Institute of Directors, 116 Pall Mall, SW1

Gentlemanly apology sought

From Mr R.S. Eades.

Sir, JE's article ("Dumnil payment set," Weekend FT, March 10) highlighted some of the displeasure of the unfortunates in the now defunct Dumnil unit trusts.

However, besides being aggrieved at receiving no compensation (or promise of it) for being locked into these funds for four months, I am even more annoyed that no one — not the management, not the Trustees (Courts and Midland), not the auditors (Peat Marwick McLintock) — has, as far as I know, uttered one word of apology.

I have written to the trustees

and the auditors but to no avail. Indeed it took three letters and finally a recorded one to extract from Peat Marwick their suggestion that I should write to the managers or the trustees. I realise that auditors and trustees work for the masters that hire them, not for the shareholder or unitholder to whom, in official papers, they pay lip service but when they have failed to exercise proper care would it not be gentlemanly to apologise? R.S. Eades, Tort Timbers, Horton Close, Maidenhead, Berkshire

Time for one-nation politics

From Mr Ian W. Readman.

Sir, It is totally inconceivable even at this late hour that the persuasive Paddy Ashdown might recruit before the mast of Liberal Democracy such natural democrats as Peter Walker, Norman Fowler and Edward Heath? Surging to vic-

tory might they not co-opt other talented democrats like John Smith, Gordon Brown and Margaret Beckett to lead us to an era of one-nation politics. Ian W. Readman, The Old School, Minsing, Horncastle, Lincolnshire

Labour Party advice for the Chancellor's budget-making

From Mr Shaun Stewart.

Sir, The Budget will serve the national interest only if it reverses the monetarist ratchet of high interest rates and a high exchange rate that has been largely responsible for the increase in the rate of inflation and entirely responsible for the deterioration since 1977 of £35bn in the balance of trade in manufactures less exports, measured in terms of 1989 prices.

The unprecedented increase of 28 per cent in export relative to import prices was not surprisingly accompanied by a

reduction of 37 per cent in the volume of exports of manufactures relative to imports between 1976 and 1989.

There is not a shred of evidence that the deterioration in the balance of trade in manufactures is due to excessive consumption of importable and exportable goods even if that was possible in an economy with 2m unemployed.

Those who pontificate about the supply side likewise confuse cause and effect. The record since 1945 proves that. Not one of the 2m manufacturing jobs lost since 1979 can be

blamed on such shortcomings. Nor can the blame be laid on the trade unions. The real incomes of manual workers in manufacturing have increased in the past decade at only one third of the rate for non-manual workers in other industries even though their productivity has increased four times faster.

That and not the lack of training explains the shortage of skilled workers. The real exchange rate at DM 2.75 is still 14 per cent higher than in the fourth quarter of 1986. The Chancellor cannot save the Government from

defeat at the next election, but in the interest of his party as well as of the nation, he should now adopt the monetary and exchange rate policies approved by the Labour Party last October. That would reduce the rate of inflation, now as always in the past, provided the massive reduction required in both interest rates and the exchange rate is backed by selective and penal controls over bank lending etc. Shaun Stewart, Treasurer, Labour Economic Policy Group, 72 Albert Street, NW1

BUILDING SOCIETY INVESTMENT TERMS									
Product	Applied rate	Net interest	Minimum	Access and other details	Product	Applied rate	Net interest	Minimum	Access and other details
Albion and Lloyds	12.75	12.75	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	12.75	12.75	Yearly	£1,000
Capital Choice	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Gold Plus	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Ready Money Plus	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Cash Plus	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Barclays (0226 723999)	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Summit	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Quantum Plus	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Quantum Fixed	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 2	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 3	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 4	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 5	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 6	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 7	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 8	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 9	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 10	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 11	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 12	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 13	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 14	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 15	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 16	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 17	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 18	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 19	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 20	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 21	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 22	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 23	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 24	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 25	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 26	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 27	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000
Masterplan 28	11.00	11.00	Yearly	£1,000	12m (22.25% - 12m) G.I.R.R. - 1m	11.00	11.00	Yearly	£1,000

UK COMPANY NEWS

Mannesmann lifts stake in TI to 9.9%

By Andrew Fisher in Frankfurt

MANNESMANN of West Germany yesterday said that it was increasing its stake in TI to 9.9 per cent to strengthen the newly established links between the two engineering groups.

The German company said that the last few months had shown that there were "possibilities for successful co-operation," though it mentioned no specific sectors.

Mannesmann bought its initial 5 per cent stake at a cost of \$11m last September, and analysts said that any business deal between the two groups could be a year or two away. TI is keen to build up its business in Germany, where its turnover accounted for around 10 per cent of the worldwide total of \$287m in 1989.

The purchase of a further 4.9 per cent of TI's equity would cost Mannesmann around \$28m at yesterday's share price of 460p, which was 11p up on the day at 451p. Mannesmann's share price closed DM7 higher at DM35. The German company will buy TI shares through the stock market, with no time limit set for the purchases.

The two companies have

identified three broad areas for future co-operation, TI said. The first involves the motor industry, for which TI has developed Variator, a process for manufacturing structures like metal chassis in one piece with no welding. Fichtel & Sachs, the motor components subsidiary of Mannesmann, has expressed interest in this process.

The second area concerns Demag, the industrial plant subsidiary of Mannesmann and one of the world's biggest manufacturers of cranes. TI has developed a new gas seal with which it wants to enter the compressor market and is thus hoping for a joint marketing deal with Demag.

TI said the third area was heat treatment technology. TI is talking with Hartmann & Braun, also part of the Mannesmann group, on joint marketing of controls.

Mannesmann and TI have also set up small teams to look at other joint opportunities, including possible acquisitions. Mannesmann has made clear it would like to increase its activities in the US, where it bought Applied Automation two years ago.

European partner might join Saks proposed mbo

By Nikki Tail

MANAGEMENT at Saks Fifth Avenue, the US retail chain which is being acquired by BAT Industries, is understood to be looking at the possibility of bringing a European partner into its management buy-out proposal.

Executives of the 46-store chain announced on Thursday that they had linked up with Toba Department Stores of Japan over the scheme. Yesterday one of the banking backers said that the inclusion of a European partner was being considered.

Saks management confirmed that discussions were underway and said that, if successful, they would provide a strategic partner, rather than just an additional financial element. However, it declined to say whether discussions were taking place with more than one potential partner and would not elaborate on the nationality of any third party.

The discussions may not be concluded before the Saks auction is resolved. If the Saks management buy-out

was successful, and a number of other parties are known to have expressed interest, a European partner could be brought in at a later stage. No financial details of the buy-out have been disclosed, but analysts have suggested that the subsidiary might be worth between \$1bn and \$1.4bn.

Initial bids had to be submitted at the end of last week, but BAT said on Thursday that a short-list of three or four candidates had yet to be drawn up for the next round of the auction.

Saks is one of four BAT retail subsidiaries in the US which is for sale. The disposal is part of the restructuring package announced by the conglomerate last September in response to the bid threat from Sir James Goldsmith's Hoylake consortium.

Mr Buffett said that in the US, ASH had no ambitions to move outside California, which is the sixth largest security market in the world - bigger than Britain - and would try to take advantage of its position as one of the UK's largest electronic service companies.

SeaCon reports \$100m profits as bid battle ends

By Andrew Hill in London, and Roger Scotland in Bermuda

SEA CONTAINERS yesterday celebrated the conclusion of the year-long battle for control of the company by announcing an 18 per cent increase in net earnings from \$55.2m to \$100m (\$51.5m) in 1989.

But Sea Containers now looks very different from the group which had revenue of \$1bn (\$875m) last year and earnings per share of \$7.15 (\$5.87).

On Thursday, at its long-awaited annual meeting, shareholders approved the \$1.1bn sale of most of the group's container and ferry assets to one-time predators Tiplink, the UK container rental group, and Stena, a Swedish ferry operator, which will own most of the SeaLink British Ferries subsidiary.

Mr James Sherwood, Sea Containers' president, told the Bermuda meeting that the company expected to make a profit of more than \$200m this year. The group will keep

interests in specialised containers and certain ferry and port operations.

Some \$400m of the proceeds will be used to launch a \$70-a-share cash offer for about half Sea Containers' own shares. One Chicago-based investor demanded that Mr Sherwood explain a deal which "didn't smell right" and wanted to know why, if the stock was worth \$70 it wasn't selling for \$70.

But Mr Sherwood, at his charming and expansive best, predicted a "spectacular performance" by Sea Containers' shares once the company was "back in the hands of long-term, rather than short-term investors".

In New York yesterday, he said he would tender about 335,000 shares of the \$35,000 shares that he now holds in Sea Containers, increasing his stake in the recapitalised, smaller company from 6 per cent to 10 per cent.

A good target but not the vehicle for a US flotation

David Owen takes a look at BTR's £1bn takeover bid for the Massachusetts-based Norton Company

ONE CANNOT help but admire BTR's gall. For a British company to unveil an unsolicited bid in the Kennedy clan's backyard on the eve of St Patrick's day takes considerable nerve. Perhaps more importantly, it is hardly calculated to endear public opinion in Massachusetts.

But then, the rapidly-growing conglomerate probably feels that it has already paid its public relations dues in New England. Over the past 14 years, it has purchased a total of four companies with headquarters in Governor Michael Dukakis's state. Mr John Cahill, chief executive, has a house 50 miles from where Mr John Nelson, the Norton chairman, himself resides.

On the face of it, the Worcester-based company, which manufactures abrasives, advanced ceramics, performance plastics and chemical process products, is a typical BTR acquisition target.

First, it tends to operate in relatively price-insensitive niche markets, making items that account for only a small proportion of the cost of a customer's finished product.

Even at the bottom end of its product range, price sensitivity is distinctly limited. In Mr Cahill's words: "You don't know

whether a piece of sandpaper costs 30p or 40p."

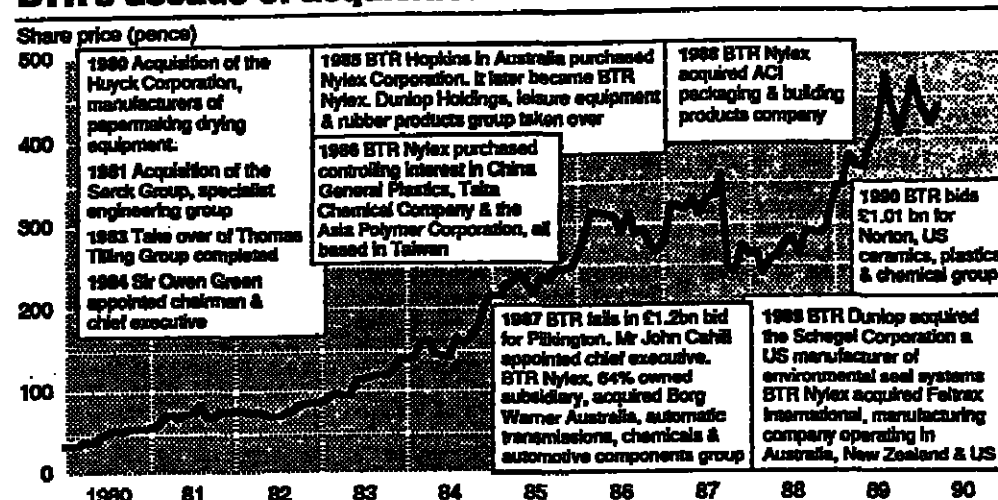
Second, Norton's operational performance appears to offer enough room for improvement to enable earnings dilution to be prevented. "We have never bought a company that diluted our earnings and we do not plan to do that now," Mr Cahill maintains.

According to figures prepared by BTR, the company's operating margins slipped from about 15 per cent to just under 10 per cent during the 1980s. "Our record shows that you can enhance those earnings very quickly," says Mr Christopher Bull, BTR finance director. "Essentially how you do it is to ensure that first year margins are sufficiently improved to cover interest costs."

BTR believes that this can be achieved through measures such as reducing product ranges, lifting capital spending and improving efficiency. "Norton has not been able to make all the investment it needs to develop the full potential of its products," in Mr Cahill's view. "We have no plans to close any of Norton's manufacturing facilities in Massachusetts or elsewhere."

While there is no direct overlap in the two groups' respective product ranges, BTR feels in addition that certain limited

BTR's decade of acquisition



synergies could be exploited. "We have a process that is making manifolds out of ceramics which would fit in probably with what they are doing in another area," said Mr Cahill.

Finally, Norton's businesses have a broad geographic spread and, in many cases, strong market positions. It is the leading supplier worldwide of bonded abrasives, silicon carbide ceramics and sealants for the automotive and construction sectors.

Approximately 47 per cent of the company's sales are derived from overseas. Mr Cahill claims that BTR has the global resources to help Norton further penetrate its target markets, particularly in Asia. The group is also "happy" in view of its own recent investments in the sector, at Norton's decision to sell its oilfield services business. The \$600m sale was among the factors behind the timing of the bid, it said.

Geographically, the proposed

transaction would obviously increase BTR's exposure to the North American market, bringing the group's western hemisphere businesses to approximately parity with Europe and the East in profitability terms. Indeed, the West may even become BTR's largest geographic unit if it proceeds with plans to float its US businesses by the end of the year. The group said yesterday that it was not using Norton as the flotation vehicle for technical reasons and because it was "if

anything" too small. Earlier this week, the company said that 1990 could be the year in which it finds the right vehicle through which to accomplish this, although it has not done so yet. "One of the pluses of a downturn," according to Mr Cahill, "is that companies will become available at good prices."

BTR's preferred route for the flotation would be via a friendly partial tender followed by the sale of some businesses in exchange for shares. "Our objective would be to finish up with a similar structure to the one we have in Australia," says Mr Cahill.

However, the group's 84 per cent-owned BTR Nylon, offshoot also appears poised for action following its recent \$560m capital-raising. The move, which consisted of a private placement with institutions of \$220m worth of convertible preference shares and the sale to BTR Australia of \$450m-worth of subordinated loan notes, reduced the Melbourne-based industrial company's gearing to 13.4 per cent.

The deals marked the third big fund-raising exercise by BTR Nylon in about 18 months. BTR said at the time that the proceeds were not being earmarked for specific projects.

Automated Security rises 22%

By Andrew Hill

AUTOMATED SECURITY (Holdings), the world's second largest operator of alarm systems, made \$22m before tax in the year to November 30, an increase of 22 per cent on the 1987-88 profit of \$19.1m.

Mr Tom Buffett, chairman, said only \$15m of the group's turnover of \$115m (\$85m) had come from last year's substantial acquisitions, which included API Alarms in southern California and Lander Alarms in the UK. The main benefit of that expansion would be felt in the current year, he added.

The acquisition strategy pushed up group borrowings during the year to about 95 or 90 per cent of shareholders' funds, but Mr Buffett said he was untroubled by the gearing level as interest payments of \$4.5m (\$3.5m) were covered about 6.5 times. More than half the borrowings of \$95m are in dollars at a fixed maximum rate of 9 per cent.

Earnings for 1988-89 rose from 15.7p to 17.5p and a final dividend of 2.75p makes 4.35p (2.7p) for the year.

Mr Buffett said that in the US, ASH had no ambitions to move outside California, which is the sixth largest security market in the world - bigger than Britain - and would try to take advantage of its position as one of the UK's largest electronic service companies.

As to challenging ADT, the biggest security group worldwide, he said: "I think we have got a more widely based operation geographically and by activity and I think we have got more momentum. We want to be the best - that doesn't mean we have to be the biggest."

Mr Buffett said a strong first-time contribution from ASH's large systems operation, which handles larger contracts, had helped the security systems division increase margins and push pre-interest profits up 65 per cent to \$18m. The operation has fitted systems at several nuclear power plants, and has just been awarded a contract to install \$1.3m to install the new fire alarm systems at six London Underground stations - the first major alarm contracts following the King's Cross fire.

See Lex

Wiggins Group shares suspended at 38p

By Clare Pearson

SHARES in Wiggins Group, which has shed nearly 40 per cent of their value since the beginning of the week, were suspended yesterday at 38p.

Mr Geoff Lansbury, chairman of the property group which has substantial interests in London's Docklands, said the suspension was prompted by concern about the unstable market in the shares.

The directors were not aware of any reason to do with Wiggins' trading position for the dramatic mark-down. "In fact,

things have been improving recently," Mr Lansbury said. In its statement to the Stock Exchange yesterday, the company said it was in negotiations for the renewal and increase of its bank facilities.

Mr Lansbury said the reference was to the normal discussions it has with its bankers ahead of its year-end on March 31. He said that, given the proximity of the year-end, he was unable to elaborate on these discussions.

Mr Lansbury said the long-

running negotiations with the international hotelier which had expressed an interest in buying Wiggins' hotel development close to Canary Wharf in the Docklands were still progressing. But, because this company "had been unable to move until recently," Wiggins said it had decided to suspend its shares. Wiggins referred to the potential purchaser in January when it announced that it had fallen £1.33m into loss, against profits of £3.82m, in the first half.

Wiggins says its alternative plan for the Docklands hotel is a scheme whereby Holiday Inn would operate it and own it with other investors in a tax-advantageous partnership. The sale of the company's motor interests and a downturn in its housebuilding side were behind the fall into loss in the first half. Wiggins' share price, which stood at about 270p a year ago, crumbled during the second half of 1989 ahead of this week's further setback.

Astra shares fall 15p on loss warning

By Jane Fuller

ASTRA Holdings, the motor and electronics maker, has warned of a substantial loss for the year ending this month, following difficulties both in the UK and with a recently purchased Belgian subsidiary.

Shares fell 15p to 22p on the announcement. When a \$26m one-for-two rights issue was announced last July, mainly to fund the Belgian purchase, the shares were trading at about 140p and the issue price was 120p.

The group's current problems, which are being tackled by a revamped management team led by Mr Roy Barber, non-executive chairman, replacing Mr Gerald James who has become a non-executive director, and Mr Tony McCann, who has been appointed chief executive following the resignation of Mr Christopher Gensley as managing director.

Mr Barber said there was a need for considerable cuts in overheads at the group, which employs between 400 and 500 administrative and sales staff and 1,250 production workers. Its main sites are at Grantham and Cambridge.

While the UK operation continued to be profitable, the UK side was making losses. In the six months to September 30, the group's losses amounted to \$2.4m at the pre-tax level.

The purchase of PRE, an ammunition components and propellants business, was completed in September. Astra said it had a 1989 loss of \$2.4m, but that it was a loss of \$2.4m, not \$2.4m, as the group had made loans to PRE totalling \$21m. PRE incurred losses in 1987 and 1988 but Mr Barber said it had been believed that it would make a \$2m profit in 1989. "Losses for 1989 were approaching £12m," he alleged.

Astra is taking legal advice over possible claims against Gechem which, it said, had refused either to rescind the contract or pay compensation. Group's borrowings on January 31 were \$24m, with cash balances of \$20m. Shareholders' funds behind the 1989 loss stood at about \$97m. Mr McCann said that in the worst case these could be dragged down to less than \$50m through provisions related to PRE.

Astra's banks have said they currently intend to continue to provide facilities to the group and have expressed support for the new team.

Astra's banks have said they currently intend to continue to provide facilities to the group and have expressed support for the new team.

Astra's banks have said they currently intend to continue to provide facilities to the group and have expressed support for the new team.

Sales of Proton from Malaysia expected to rise from 6,500 to 11,000 in 1990

TKM makes £100m agreed bid for Western Motor

By John Griffiths

TOZER KEMSLEY & Millbourn (Holdings), the motor group controlled by Sir Ron Brierley's IEP investment vehicle, is making an agreed £100m bid for Western Motor Holdings, the Soviet and Malaysian car importer.

It is offering 78p cash for each Western share. The shares closed at 78p making a rise of 210p since Thursday morning. There is a loan note alternative which holders may accept in lieu of all or part of their shares.

Western's directors and certain other shareholders have given irrevocable undertakings to accept in respect of 24.4 per cent of the ordinary shares. Mr Reg Heath, TKM chief executive, said he did not expect any rival bids to emerge. "Although these days you don't rule anything out."

Western also reported pre-

tax profits for 1989 23 per cent higher at \$12.35m (\$10.08m) on turnover of \$301.71m (\$249.12m).

The offer represents a price/earnings ratio of about 11 and compares with a high for the shares of 96p during the recently attempted management buy-out. Since then, however, there has been a deterioration in the UK car market resulting from higher interest rates.

One of Western's main activities is importing Lada cars from the Soviet Union and since last March it has held a 50 per cent interest in Proton UK, which imports the Proton, Malaysia's national car. About 30,000 Ladas were sold in the UK last year, and 6,500 Protons. Lada sales have been slipping but Mr Heath said he expected Proton sales to jump to 11,000 this year.

Western also has car dealerships in the Thames Valley and south Wales. Autocar, which operates 200 car transporters and RJ Hoare, a car leasing business which operates a fleet of about 2000 vehicles.

Among the conditions of the takeover is that there should be no change in the contractual arrangements for the Lada business. Title to the import franchise is held by Lada Cryman, an off-shore trust associated with Mr Ara Oskomei, Western's chairman, and subcontracted to Lada Imports. The agreement runs out in 1993 but is expected to be rolled over.

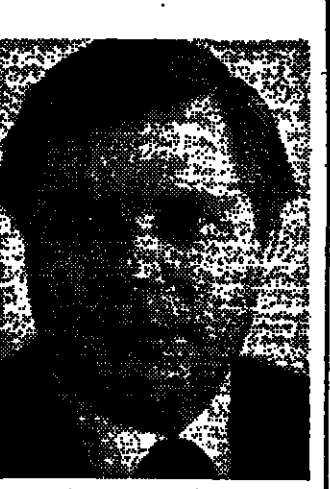
TKM already holds the Daihatsu and Ferrari concessions in the UK, and has a 40 per cent stake in the Mazda Importer. It retains a 20 per cent stake in Alfa Romeo (GB),

although Alfa's parent, Fiat, reassigned majority control of the franchise last month.

Mr Heath disclosed that the group has been exploring motor dealership purchases in the US and Continental Europe, particularly Spain.

During 1989 Western's import division saw pre-tax profits improve by 41 per cent although turnover was static. Turnover in the transport division increased by 75 per cent, reflecting the acquisition of AJ Walter, the aviation spare parts distributor, with profits 82 per cent higher.

The group pre-tax figure included net interest received of £1.35m (£1.08m). After tax of £4m (£3.33m) earnings per share were 73.5p (75.2p) or 70.7p (68.3p) fully diluted. There will be a second interim dividend of 12p (8.5p), conditional on the TKM offer being accepted, making a total for the year of 18p (12p).



Reg Heath: does not expect rival bids to emerge

ditional on the TKM offer being accepted, making a total for the year of 18p (12p).

Bluebird calls for £5.9m as profits fall slightly

By David Churchill, Leisure Industries Correspondent

BLUEBIRD TOYS, the USM-listed UK toy manufacturer, yesterday announced a £5.9m rights issue to finance its expansion plans this year, after reporting disappointing pre-tax profits for the year ended December 31 1989.

Bluebird, one of the market leaders in the pre-school toys sector with products such as the Big Yellow Teapot, reported pre-tax profits down from £2.58m to £2.12m.

Earnings per share fell from 22.8p to 17.5p; the proposed dividend is a maintained 6.75p. Turnover, however, rose from £29.5m in 1988 to £28.1m. Bluebird proposes to create and allot £5.98m 12 per cent convertible unsecured loan stock 2005 for subscription at par on the basis of £3 nominal of stock for every 4 ordinary shares held. During July in any of the years 1991 to 2005, the stock may be converted into new ordinary shares at the option of the shareholders. The rate of conversion will be one ordinary share for each 150p

nominal of stock converted. The issue is underwritten by OCF Laurence Frost.

The company said yesterday that the additional finance was needed to maintain the company's expansion in both the UK and Continental European markets for toys.

Mr Torquil Norman, the company's chairman, said yesterday that demand for toys had fallen away before Christmas. "Historically, the pre-Christmas repeat business had been difficult to predict and last Christmas the repeat orders were lower than anticipated," he said.

However, he pointed out that both sales and trading profits had increased substantially, and there had been tighter control of overheads. He also said that the recently distribution agreement with Matal, the US toy company, for it to distribute part of Bluebird's toy range outside the UK "should impact favourably on profits during 1990 and beyond."

F Cooper falls sharply to £2.3m

By John Thornhill

FREDERICK COOPER, the Midlands-based mini-conglomerate in which Newsum Tons has a 4.9 per cent stake, yesterday announced a sharp fall in interim pre-tax profits and the disposal of its material handling division for \$8.45m in cash.

Cooper's pre-tax profits fell to \$2.3m (\$4.5m) for the six months to January 31 on turnover marginally ahead at \$33.62m (\$32.6m). But the company claimed that this fall represented only a temporary setback in the face of slowing markets.

Nevertheless, Cooper's shares fell 18p on the news to 106p, giving the company a market value of £2.3m.

Cooper's materials handling division, excluding Cooper Handling, is to be sold to Hibby & Sons, the industrial and agricultural group.

The main businesses in this division are Lamson, based in Hampshire, and Lamson Nederland, in Amsterdam, Holland, which manufacture and distribute conveying systems and industrial vacuum cleaning equipment.

The pre-tax pre-tax profits of the Lamson businesses in the year to July 31 1989 were £1.81m on sales of £11.31m. Net assets at that date were £1.84m.

Cooper said it was selling the division to concentrate its efforts on its core businesses in security, architectural hardware, electrical products and metal finishing. It claimed that the cash raised from the sale would eliminate group borrowings and that the subsequent reduction in interest payments was likely to offset the \$550,000 profits the division contributed to yesterday's results.

Fully diluted earnings per share fell to 4.2p (3.1p). The directors have lifted the interim dividend to 1.5p (1.35p).

Camford lifts interim by 38%

By Vanessa Houldier

Camford Engineering, the motor components company that is the target of a £250m hostile bid from Markheath Securities, the UK investment vehicle of Adelaide Steamship, has announced a 38 per cent increase in its interim dividend to 1.2p.

In a letter to shareholders, it claimed it had excellent prospects and an "outstanding" financial record with a compound pre-tax profit growth rate of 40 per cent for the last five years. It also said it had high quality standards and was attuned to customers' needs in a growing industry. It urged shareholders to reject the Markheath offer.

In response, Markheath said that Camford's financial record has been in the public arena since before the 30p-per-share offer was made, when the share price was 244p. It remained convinced that its offer reflected full and fair value, it said.

Courtaulds approval

Shareholders of Courtaulds, the chemicals and industrial products group, voted in favour of demanding its textile interests at an ago yesterday. Dealings in Courtaulds Textiles shares are scheduled to start on Monday.

ECONOMIC DIARY

TODAY: Meeting of Foreign Ministers of the European Community and the six-nation Gulf Cooperation Council (GCC) in Muscat to discuss lifting tariff barriers on all Gulf exports except petrochemicals, refined oil products and aluminium. Warsaw Pact foreign ministers meeting in Prague.

TOMORROW: National Savings results (February). Deadline for local authorities to have declared their community charge levels. East German parliamentary elections. Parliamentary elections in Estonia and Latvia.

MONDAY: London's International Stock Exchange council meets to discuss the Elves Report.

TUESDAY: UK budget. London and Scottish banks monthly statement (February). Provisional estimates of monetary aggregates (February). US consumer price index (February); merchandise trade (February); and real earnings (February). Annual German-Spanish summit in Konstanz. Start of two-day meeting of the European Community's political committee at Dublin Castle.

WEDNESDAY: New construction orders (January-provisional). US monthly budget statement. Namibia becomes independent.

THURSDAY: Industrial and commercial companies (fourth quarter). Balance of payments current account and overseas trade figures (February). US import and export indices (February). Mid-Staffordshire by-election. European Community environment council meets in Brussels. Western European Union Assembly holds extraordinary session in Luxembourg (also 23rd). Symposium on Eastern Europe in Paris.

FRIDAY: Building societies monthly figures (February). Engineering sales and orders at current and constant prices (January). Retail prices index and tax and price index (February). Cyclical indicators for the UK economy (February). The European Community internal market council meets informally at Dromond Castle. Council of Europe holds special ministerial conference on Eastern Europe in Lisbon.

LONDON TRADED OPTIONS

HEAVY TRADING in Amstrad shares yesterday boosted turnover on the options market as investors bought stock and sold calls. The other stock options were also more active as volume on the cash market increased. Amstrad traded 3,529 options yesterday, equivalent to 3.5m shares, of which 3,019 were calls and 510 were puts. The busiest series was the March 50 call, which traded 1,455 lots. Amstrad shares rose 9p to 61½p as 31m shares changed hands as presentations to investors prompted buying throughout the day. Options dealers noted that calls were sold against those stock purchases. The largest trades involved the sale of 500 of the March 50 calls

at 11p and the sale of the June 60 calls at 7p. Tesco featured as the stock continued to rise ahead of its results due at the beginning of April. Tesco traded 1,540 options, of which 1,015 puts were sold and 525 calls. The August 200 put was the most active, with 1,010 changing hands. James Capel bought 500 August 200 puts at 9p. It also sold 500 August 200 calls at 16p and 500 August 200 puts at 8p, which was said to be a neutral trade. Lonrho was boosted by call selling, particularly the March 250 series, and 1,042 lots changed hands. One analyst said former commodity prices prompted some turnover. Yesterday's total was made up of 1,057 calls and 5 puts.

The March 250 call series was busiest, and traded 799 lots. Rolls-Royce shares continued to rise in the wake of its final results and spurred activity in the options market. A total of 1,040 contracts traded, of which 800 were calls and 240 were puts. The June 100 put series was the most active, with 340 changing hands. Total options market turnover stood at 30,509 lots, against 20,486 in the previous session. In the futures market, an early burst of buying led the stock market higher, as the premium over the cash index rose from 5 to 11 points. At that point futures sellers emerged and March FT-SE 100 index ended at a 6-point premium to the cash index.

Symbol	CALLS					PUTS				
	Net	Int	Set	High	Low	Net	Int	Set	High	Low
Amst Liquid (457)	420	28	59	59	57	7	35	40	40	38
Amst (458)	420	28	59	59	57	7	35	40	40	38
Amst (459)	420	28	59	59	57	7	35	40	40	38
Amst (460)	420	28	59	59	57	7	35	40	40	38
Amst (461)	420	28	59	59	57	7	35	40	40	38
Amst (462)	420	28	59	59	57	7	35	40	40	38
Amst (463)	420	28	59	59	57	7	35	40	40	38
Amst (464)	420	28	59	59	57	7	35	40	40	38
Amst (465)	420	28	59	59	57	7	35	40	40	38
Amst (466)	420	28	59	59	57	7	35	40	40	38
Amst (467)	420	28	59	59	57	7	35	40	40	38
Amst (468)	420	28	59	59	57	7	35	40	40	38
Amst (469)	420	28	59	59	57	7	35	40	40	38
Amst (470)	420	28	59	59	57	7	35	40	40	38
Amst (471)	420	28	59	59	57	7	35	40	40	38
Amst (472)	420	28	59	59	57	7	35	40	40	38
Amst (473)	420	28	59	59	57	7	35	40	40	38
Amst (474)	420	28	59	59	57	7	35	40	40	38
Amst (475)	420	28	59	59	57	7	35	40	40	38
Amst (476)	420	28	59	59	57	7	35	40	40	38
Amst (477)	420	28	59	59	57	7	35	40	40	38
Amst (478)	420	28	59	59	57	7	35	40	40	38
Amst (479)	420	28	59	59	57	7	35	40	40	38
Amst (480)	420	28	59	59	57	7	35	40	40	38
Amst (481)	420	28	59	59	57	7	35	40	40	38
Amst (482)	420	28	59	59	57	7	35	40	40	38
Amst (483)	420	28	59	59	57	7	35	40	40	38
Amst (484)	420	28	59	59	57	7	35	40	40	38
Amst (485)	420	28	59	59	57	7	35	40	40	38
Amst (486)	420	28	59	59	57	7	35	40	40	38
Amst (487)	420	28	59	59	57	7	35	40	40	38
Amst (488)	420	28	59	59	57	7	35	40	40	38
Amst (489)	420	28	59	59	57	7	35	40	40	38
Amst (490)	420	28	59	59	57	7	35	40	40	38
Amst (491)	420	28	59	59	57	7	35	40	40	38
Amst (492)	420	28	59	59	57	7	35	40	40	38
Amst (493)	420	28	59	59	57	7	35	40	40	38
Amst (494)	420	28	59	59	57	7	35	40	40	38
Amst (495)	420	28	59	59	57	7	35	40	40	38
Amst (496)	420	28	59	59	57	7	35	40	40	38
Amst (497)	420	28	59	59	57	7	35	40	40	38
Amst (498)	420	28	59	59	57	7	35	40	40	38
Amst (499)	420	28	59	59	57	7	35	40	40	38
Amst (500)	420	28	59	59	57	7	35	40	40	38
Amst (501)	420	28	59	59	57	7	35	40	40	38
Amst (502)	420	28	59	59	57	7	35	40	40	38
Amst (503)	420	28	59	59	57	7	35	40	40	38
Amst (504)	420	28	59	59	57	7	35	40	40	38
Amst (505)	420	28	59	59	57	7	35	40	40	38
Amst (506)	420	28	59	59	57	7	35	40	40	38
Amst (507)	420	28	59	59	57	7	35	40	40	38
Amst (508)	420	28	59	59	57	7	35	40	40	38
Amst (509)	420	28	59	59	57	7	35	40	40	38
Amst (510)	420	28	59	59	57	7	35	40	40	38
Amst (511)	420	28	59	59	57	7	35	40	40	38
Amst (512)	420	28	59	59	57	7	35	40	40	38
Amst (513)	420	28	59	59	57	7	35	40	40	38
Amst (514)	420	28	59	59	57	7	35	40	40	38
Amst (515)	420	28	59	59	57	7	35	40	40	38
Amst (516)	420	28	59	59	57	7	35	40	40	38
Amst (517)	420	28	59	59	57	7	35	40	40	38
Amst (518)	420	28	59	59	57	7	35	40	40	38
Amst (519)	420	28	59	59	57	7	35	40	40	38
Amst (520)	420	28	59	59	57	7	35	40	40	38
Amst (521)	420	28	59	59	57	7	35	40	40	38
Amst (522)	420	28	59	59	57	7	35	40	40	38
Amst (523)	420	28	59	59	57	7	35	40	40	38
Amst (524)	420	28	59	59	57	7	35	40	40	38
Amst (525)	420	28	59	59	57	7	35	40	40	38
Amst (526)	420	28	59	59	57	7	35	40	40	38
Amst (527)	420	28	59	59	57	7	35	40	40	38
Amst (528)	420	28	59	59	57	7	35	40	40	38
Amst (529)	420	28	59	59	57	7	35	40	40	38
Amst (530)	420	28	59	59	57	7	35	40	40	38
Amst (531)	420	28	59	59	57	7	35	40	40	38
Amst (532)	420	28	59	59	57	7	35	40	40	38
Amst (533)	420	28	59	59	57	7	35	40	40	38
Amst (534)	420	28	59	59	57	7	35	40	40	38
Amst (535)	420	28	59	59	57	7	35	40	40	38
Amst (536)	420	28	59	59	57	7	35	40	40	38
Amst (537)	420	28	59	59	57	7	35	40	40	38
Amst (538)	420	28	59	59	57	7	35	40	40	38
Amst (539)	420	28	59	59	57	7	35	40	40	38
Amst (540)	420	28	59	59	57	7	35	40	40	38
Amst (541)	420	28	59	59	57	7	35	40	40	38
Amst (542)	420	28	59	59	57	7	35	40	40	38
Amst (543)	420	28	59	59	57	7	35	40	40	38
Amst (544)	420	28	59	59	57	7	35	40	40	38
Amst (545)	420	28	59	59	57	7	35	40	40	38
Amst (546)	420	28	59	59	57	7	35	40	40	38
Amst (547)	420	28	59	59	57	7	35	40	40	38
Amst (548)	420	28	59	59	57	7	35	40	40	38
Amst (549)	420	28	59	59	57	7	35	40	40	38
Amst (550)	420	28	59	59	57	7	35	40	40	38
Amst (551)	420	28	59	59	57	7	35	40	40	38
Amst (552)	420	28	59	59	57	7	35	40	40	38
Amst (553)	420	28	59	59	57	7	35	40	40	38
Amst (554)	420	28	59	59	57	7	35	40	40	38
Amst (555)	420	28	59	59	57	7	35	40	40	38
Amst (556)	420	28	59	59	57	7	35	40	40	38
Amst (557)	420	28	59	59	57	7	35	40	40	38
Amst (558)	420	28	59	59	57	7	35	40	40	38
Amst (559)	420	28	59	59	57	7	35	40	40	38
Amst (560)	420	28	59	59	57	7	35	40	40	38
Amst (561)	420	28	59	59	57	7	35	40	40	38
Amst (562)	420	28	59	59	57	7	35	40	40	38
Amst (563)	420	28	59	59	57	7	35	40	40	38
Amst (564)	420	28	59	59	57	7	35	40	40	38
Amst (565)	420	28	59	59	57	7	35	40	40	38
Amst (566)	420	28	59	59	57	7	35	40	40	38
Amst (567)	420	28	59	59	57	7	35	40	40	38
Amst (568)	420	28	59	59	57	7	35	40	40	38
Amst (569)	420	28	59	59	57	7	35	40	40	38
Amst (570)	420	28	59	59	57	7	35	40	40	38
Amst (571)	420	28	59	59	57	7	35	40	40	38
Amst (572)	420	28	59	59	57	7	35	40	40	38
Amst (573)	420	28	59	59	57	7	35	40	40	38
Amst (574)	420	28	59	59	57	7	35	40	40	38
Amst (575)	420	28	59	59	57	7	35	40	40	38
Amst (576)	420	28	59	59	57	7	35	40	40	38
Amst (577)	420	28	59	59	57	7	35	40	40	38
Amst (578)	420	28	59	59	57	7	35	40	40	38
Amst (579)	420	28	59	59	57	7	35	40	40	38
Amst (580)	420	28	59	59	57	7	35	40	40	38
Amst (581)	420	28	59	59	57	7	35	40	40	38
Amst (582)	420	28	59	59	57	7	35	40	40	38
Amst (583)	420	28	59	59	57	7	35	40	40	38
Amst (584)	420	28	59	59	57	7	35	40	40	38
Amst (585)	420	28	59	59	57	7	35	40	40	38
Amst (586)	420	28	59	59	57	7	35	40	40	38
Amst (587)	420	28	59	59	57	7	35	40	40	38
Amst (588)	420	28	59	59	57	7	35	40	40	38
Amst (589)	420	28	59	59	57	7	35	40	40	38
Amst (590)	420	28	59	59	57	7	35	40	40	38
Amst (591)	420	28	59	59	57	7	35	40	40	38
Amst (592)	420	28	59	59	57	7	35	40	40	38
Amst (593)	420	28	59	59	57	7	35	40	40	38
Amst (594)	420	28	59	59	57	7	35	40	40	38
Amst (595)	420	28	59	59	57	7	35	40	40	38
Amst (596)	420	28	59	59	57	7	35	40	40	38
Amst (597)	420	28	59	59	57	7	35	40	40	38
Amst (598)										

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound steady as dollar falls

THE DOLLAR retreated below DM170; it also lost a little ground to the Japanese yen and sterling in quiet but choppy foreign exchange trading yesterday. Dealers tended to square positions ahead of tomorrow's election in East Germany - negotiations on German monetary union are likely to speed up after the election - and were also reluctant to push the dollar higher against the yen because of uncertainty about any Japanese move on interest rates.

Financial markets have for some time discounted an increase of 1/2 per cent to 5 per cent in the Japanese discount rate, but comments from Bank of Japan officials suggested that an upward move is not imminent, saying there was not enough data on which to make a decision. Yesterday's figures on Japanese Gross National Product and wholesale prices showed that domestic prices are generally stable, according to the central bank.

The Bank denied a Tokyo news report that a rise in the discount rate is likely next week. There was little reaction to a batch of US economic data for February. As expected, producer prices were unchanged, while housing starts fell 7 per cent to 1.477m. Industrial production rose 0.6 per cent and capacity utilisation was 82.3 per cent, against 81.9 in January. The figures were much as expected, according to analysts.

At the close of trading in London the dollar fell to DM169.45 from DM170.25; to ¥163.20 from ¥162.50; to SF160.00 from SF159.25. On Bank of England figures the dollar's index declined to 83.4 from 83.6.

Sterling recorded mixed changes, improving against the dollar and yen, but weakening in terms of the D-Mark and most Continental currencies. Economic news was disappointing, including a very

sharp rise of 10.1 per cent in wages and salaries per unit of output in the whole economy for the third quarter, coupled with a fall of 0.5 per cent in productivity, or output per head.

Reaction was muted, but according to City economists the inflationary implications of the wages and output data reinforced the need for a tight UK Budget on Tuesday.

Sterling rose 65 points to £1.6245 and improved to ¥247.50 from ¥246.75, but fell to DM170.25 from DM170.80; to SF160.00 from SF159.25. According to the Bank of England the pound's index rose 0.3 to 86.6.

The French franc was helped by news that France's current account swung back to a surplus of FF4.45bn in January, from a revised deficit of FF2.86bn in December. At the London close the D-Mark fell to FF3.5765 from FF3.5805.

C IN NEW YORK

Mar. 16	Latest	Previous Close
5 Spot _____	1.6245-1.6255	1.6210-1.6220
1 month _____	0.94-0.93pm	0.90-0.89pm
3 months _____	2.75-2.72pm	2.60-2.58pm
12 months _____	9.70-9.60pm	9.12-9.00pm

Forward premiums and discounts apply to the US dollar

CLIVE RADFORD
on (0272) 292565
or write to him at:
Merchants House,
Wapping Road
Bristol
BS1 4RW

[illegible]

LONDON STOCK EXCHANGE

Sharp advance in higher turnover

THE UK stock market yesterday rounded off the week before the UK Budget with one of the best trading sessions recorded so far this year. Despite the general expectation in the City of London that Tuesday's Budget speech will bring little joy for equities, the FT-SE index gained 20 points in significantly increased trading volume, brushing aside its underlying concern over the prospects for global interest rates and the UK Government's very year showing in the public opinion polls.

Heavy trade in Amstrad

Amstrad, the consumer electronics group, attracted the largest turnover in the market - 31m shares - as Kleinwort Benson, the securities house, became aggressive buyers of the stock. Kleinwort Benson said to have turned over some 30m of the 31m shares traded. At the close Amstrad shares were 6 higher at 61 1/2p. The stock was the most heavily traded on the London Option market.

Kleinwort and a number of its institutional clients visited Amstrad on Thursday and came away highly positive on the company's outlook. "We see little downside from here," said the Kleinwort electronics team which increased its 1991 profits forecast from £70m to £75m.

Kleinwort also said that Amstrad is hoping to generate profit margins of 15 per cent on £70m worth of sales in that year, "which leaves plenty of scope for further upgrades." The securities house also highlighted the electronics group's net asset value of a share at 57p.

Amstrad's profits last year fell to £77m from the previous year's £100m as the group was hit by shrinking profit margins, sharply reduced demand and rising stocks. For this year most analysts expect Amstrad to achieve pre-tax profits of between £50m and £45m, with Kleinwort at the latter figure. New products expected to be announced soon include video equipment, a games-oriented product, and new satellite dish products tailored for the West German market. Other brokers are also thought to be in the process of upgrading forecasts for next year.

BTR strong

BTR advanced strongly as the company launched a £1.64bn tender offer for the Norton Company, a US-based maker of abrasives, advanced ceramics, and performance plastics. The shares gained 20 to 45p, as a hefty 6.5m shares changed hands. Dealers believe BTR might have to improve its offer to around the £1.6m mark before it wins control.

"I have no doubts that they could raise margins at Norton, given that they have done so in their other businesses," said Mr Charles Pick at Nomura. He added: "On a two to three year view additional profits of \$100m seem feasible."

Mr Jack Jones at UBS Phillips & Drew was also enthusiastic about the offer and saw it as "a very sensible

Account Opening Dates		
First Opening	Mar 18	Mar 20
Second Opening	Mar 21	Mar 23
Third Opening	Mar 24	Mar 26
Fourth Opening	Mar 27	Mar 29
Fifth Opening	Mar 30	Mar 31

lent trading and dividend news of the past fortnight. Confidence was also encouraged by corporate developments.

It was disclosed that Mannesmann of Germany had obtained agreement to increase its stake in TI Group, the UK engineering company, and that BTR is making a £1bn bid for

Norton, the US manufacturer. Equities closed virtually at the level of the previous session, with firm performance from Government bonds, which closed with gains ranging from 1/4 in the shorts to 1 1/4 in the long-dated issues. Brief worries ahead of Wall Street's Triple Witching Hour, when cash, futures, and options expire simultaneously, disappeared when the Dow Average put on 20 points before London closed.

The final reading showed the FT-SE index at 2,253.9, with the day's gain only just short of the 28.8 advance on January 3 when the index reached its all-time peak of 2,463.7.

The Footsie closed last night with a net gain of 29.6 points on the week, having struggled up from a dull performance on Monday with the help of some US buying interest and a more favourable run of corporate profits than had been expected.

Higher dividends have, in particular, sustained the view of some analysts that shares should be bought at current levels on the back of the average 5 per cent dividend yield.

Turnover increased sharply yesterday, with 34m shares against 28.5m shares against 34.7m in the previous session. However, some data indicates that institutional business and although institutional business was undoubtedly better yesterday,

dealers said that marketmakers were passing stock among themselves in an attempt to keep trading positions tight ahead of Budget Day. Stock Exchange statistics show that daily retail equity volume has this week remained well below the 11bn figure recorded in bull market days.

The leading equity firms sounded a cautious note on Budget prospects; "a bearish Budget for equities," said Kleinwort Benson; "a no-win Budget?" said S.G. Warburg's view; and "the Chancellor's first priority will be to reinforce the economic slowdown," was the comment from Fleming's Research.

Western Motor moved sharply upwards, gaining 83 to 78p on the agreed offer from Toser Kemaley, down 3 at 119p. Toser is offering 78p in cash for each Western Motor share with a loan alternative. Western Motor also reported an improved profit of £12.3m, up from £10.0m the previous year.

Hartwell rose 9 to 160p as the James Group, which this week failed to acquire the company, was said to have been shopping for stock at 155p, the price of the latest offer. However, another buyer was also thought to have been in the market.

British closed 2 down at 170p as UBS Phillips & Drew said it was placing British Steel's 9.4 per cent stake in the market at 160p. British Steel closed 3 up at 143p on turnover of 4.7m shares. Astra Holdings slipped 15 to 22p on the warning of a takeover bid for the company's shares, which it acquired in 1988.

W.E. Smith stood out with a strong run in stores after the company had a lunchtime meeting with BZW. Mr Steve Smith said that BZW's bid was "taking an unduly bearish view of this year's profits and more particularly is failing to appreciate the growth potential over the next few years." He said the market had not digested the effect of the company's restructuring.

Smith's "A" shares climbed 8 to 294p on above average turnover for the stock of 680,000. Vague talk that the Fayed brothers, who own the Harrods department store, were building a stake in Smith's was not widely believed in the market.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p. Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm market on the back of Thursday's better-than-expected

profits and a net 6 off at 120p.

Worries that Wiggins Group shares might be suspended after the company had dropped a further 6 to 38p, compared with last Friday's closing level of 62p. Wiggins requested the suspension and said "the board is in negotiations on the renewal and increase of the group's bank facilities."

TI gained strength early from the announcement that Mannesmann, the West German group, would raise its stake in TI from the current 5 per cent to 9.9 per cent. The shares added 10 to 460p.

Balls-Royce was once again a firm

[illegible][illegible][illegible]

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-21.

Continued on next page

LUXEMBOURG (STIR RECOGNISES)

JERSEY (STR. RETICULENSE)

هذه امانة الاصل

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2121.

Money Market Trust Funds

Money Market Bank Accounts

[illegible]

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2125

INDUSTRIALS (Miscel.)—Contd.

هذه امنه الاصل

LONDON SHARE SERVICE

MINES—Contd					
1989/90 High Low	Stock	Price	+ or - %	Div Yield	C
Microfilm only					

528	12 Anglo-Dominion	14	
706	386 Bond Intl. Gold	594	+10
64	24 Burtie Mining 10p	39	-1
50	194 W Colly Res Corp	23	+2
125	79 Cons. March 10c	80	
78	4 DEX Inc.	12	-2
*27 1/2	13 1/2 Enmer. Int. 1710p	17	
120	68 Europa Minerals 2p	80	

12%	64%	Whemlo Gold Mines	28 1/2	+ 1/2	5020c
14 1/2	16 1/2	Homestake Mining St	112 1/2	+ 1/2	1200c
54	26 1/2	McNamara	46	- 1/2	
47 1/2		McFinley Red Lake	12		
28 1/2	14	New Sabina Res CSI	15		
45 1/2	25 1/2	Northern CSI	384	- 1/4	

53	700Pittsburgh Mining Corp. 1/4	350	+2	115.0	3
605	404RTZ 10p.....	350	+8	7.1	2
15	61Thorco Res. Inc. J....	12	-2	7.1	2
250	150Young Group 10p... 1/4	150	7.1	2

1989/90	High	Low	Stock	Price	+ or -	Div Net	Yield
100			43 ASB Barnett 20... y	43		1.0	4.8
151			24 American Energy 100... y	4			
30			17 Analysis High 200... y	19			
42			44 Andaman Res. 100... y	44			
96			58 Associated Farmers...	93	-2		
251			131 Automobiles of Dist. 500...	19			

40	278	Blackland Oil 10p. v	34	1
42	11	Barnett Exploration. v	141	
220	215	Cafe Inc. v	228	
268	11	Caldwell Inv. 10p. v	112	-1
275	10	Casper Oil 10p. v	15	
135	61	Delsen Artisans Sp. v	75	1.0
240	11	ChemEx Int'l. v	15	
248	14	Cloward Lts. Sp. v	18	

231	15 Diana Lake	v	23			
13	13 Droopscott Lake	Sp	24		20.38	5.1 3.
72	25 Edinburgh Hlb.	2p	v	24	+1	
113	50 Eglinton Exps.	1r	50p	v	68	+2
30	280. Wrruts			v	12	-2
65	11 Far East Res.	10p	v	13	-1	
125	115 Far Forward Ins.			120		
45	236 Fritum Mile	1r	20.	45p		

730	4341 American 1p	✓	120		
500	56 Harley Bay 5p	✓	540	0.75	5.9
100	76 Hickory 5p	✓	100		
32	11 Pioneer Group 5p	✓	12	-2	
120	60 Perkins Brewery 5p	✓	75		
105	35 Rancore Group 2 1/2 p	✓	64	+2	
719	5411. Comm & Data 5p	✓	12 1/2	+3	
49	12 Terna West	✓	33	+8	

22	18Camp & Co 5p	18			
33	5Kromographic 1p	5	-2		
105	74LW 5p	74		2.0	3.4 3
96	29Leading Leisure 5p	30		12.0	3.0 8
*563	313M.L. Labn. 1p	321	+3		
50	36Malaya Group 10p	36	-2	12.0	3.4 7
81	66Mid-States 10p	70n			
9	5Moray Fifth 1p	54			

72	86 Pleasant Grp. 2p...	28	0.2	1
25	20 Poddington Sp...	68		
106	98 Ramsden's (Harry)...	98	R4.5	1.1
120	51 Revue & Lester Sp...	51	a1.85	2.8
73	11 Scott Pickford 10...	13	+1	0.38
214	For Season Hides	see	TRANSPORT	
51	27 Semper nova...	27		

50	281 Dragon's Lair 20p..... y	79
50	281 Tavern Lds. 20p..... y	79
115	281 Tavern Lds. 20p..... y	79
115	281 Tavern Lds. 20p..... y	79
115	281 Tavern Lds. 20p..... y	79
150	1280 Unit Group..... y	146
100	66 Video Magic Lds. 10p..... y	79
14	4 Vista Ents Sp..... y	4
40	15 Wizard Hlds Sp..... y	14

NOTES

Stock Exchange dealing classifications are indicated to the left of security names: α Alpha, β Beta, γ Gamma.

Unless otherwise indicated, prices and net dividends are in dollars and denominations are 25¢. Estimated price/earnings ratio is shown in parentheses.

possible, are quoted on half-yearly figures. P/E's are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unreserved ACT where applicable. Bracketed figures indicate 10 per cent or more difference calculated on "all" distribution. Covers are based on "maximum" distribution; this compares gross dividend on profit after taxation, excluding exceptional profits/losses, including estimated extent of offsettable ACT. Yields are

- "Tap Stock"
- Highs and lows marked thus have been adjusted to all rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- § Tax-free to non-residents on application
- Figures or report awaited

5334(A)
 * USM; not listed on Stock Exchange and company
 subjected to same degree of regulation as listed security
 ‡ Not officially listed.
 # Price at time of suspension
 * indicated dividend after pending scrip and/or rights
 cover relates to previous dividend or forecast.
 † Merger bid or reorganisation in progress

- * **Salvage interest;** reduced final and/or reduced cost indicated
- * **Forecast dividend;** cover on earnings updated by interim statement.
- * **Cover allows for conversion of shares not now ranked** dividends or ranking only for restricted dividend.
- * **Cover does not allow for shares which may also rank** dividend at a future date. No P/E usually provided.

a By, foreign funds. F.F. foreign funds as yield basis. b Assumption Treasury Bill Rate stays unchanged until maturity. c Stock, a Annualised dividend. d Figures based on prospective, other offer estimate. e Cents. f Dividend rate paid or payable per share of capital. g based on dividend on full capital. h Redemption yield. i Flat yield. j Assumed dividend and yield. k Assumed dividend and yield after scrip issue. l Payment of capital sources. m Kerya, an interim higher than previous to

Dividend yield: Cover relates to previous dividend, P/E ratio based on current annual earnings. **a** Forecast, or estimated annual dividend rate, cover based on previous year's earnings. **y** Dividends to local tax. **x** Dividend cover in excess of 100 times. **z** Dividend and yield based on merger terms. **x** Dividend and yield (based on merger terms). **Special payment:** Cover does not apply to special payment.

J Dividend and yield after pending scrip and/or rights issues
K Dividend and yield based on prospectus or other official estimates for 1989.
L Dividend and yield based on prospectus or other official estimates for 1990.
M Estimated annualised dividend cover and P/E based on latest annual earnings.
N Dividend and yield based on prospectus or other official estimates for 1989.
O Dividend and yield based on prospectus or other official estimates for 1990.

REGIONAL & IRISH STOCK

Albany Inv 20c.....	81	Arnotts.....	438
Craig & Rose Cl.....	828	Carroll (P. J.).....	163
Fidelity Pkg. 5c.....	58	Hall (R. & H.).....	189
Walt (Jost) 25c.....	1345	-3	

Op. Exp. % 1A 1991	596	United Drug	167
Op. Cap. Lr. 1996	590 1/2		
Fin. 13% 97/02	628 1/2		

TRADITIONAL OPTIONS

Industrials		Rural Elect.
Killed-Lyons	59	RHM
Unistrud	51	Rank Org Div
Union (RFP)	51	Reed Int'l
		STC
		Sears
		SmKl. Berchem A

DOC Bp	45	TSB
FTR	56	Tesco
Barclays	49	Thorn EMI
Blue Circle	19	Trust Houses
Boots	23	T&M
Lowwaters	38	Unilever
British Aerospace	62	Victors
Leeds City Council	8	Wellcome

27	Property
40	Brit Land
40	Control Secs
31	Land Securities
60	MEPC
7	Mount Leigh
21	

taxon	56	
rand Mc	45	
ardian	49	
KN	39	
anson	33	
maker Sidd	18	
	55	
	85	

Oil	
Avia Pet	
Brit Petroleu	
Bermah Oil	
Conroy Pet	
Gaile Res	

34	Shel
26	Tucker Res
22	Ultramar
52	
17	Mines
27	
29	Lantho

This service is available to every Company agent in our 50
branches throughout the United Kingdom for a fixed annual

* If the shares are sold, assigned or transferred by the transferee at less than \$100 per share, the transferee shall pay the difference between the actual sale price and \$100 per share to the issuer.

(*) "Tap Stock"

Hights and lows reached there has been adjusted to allow for rights issues as follows:

rights issue since inception or resumed

intrinsic since reduced, passed or deferred

Tax-free to non-residents on approval

Transfers of major interest

Not officially UK listed; dealings permitted under rule 532(4)(a)

US\$; not listed on Stock Exchange and company not subject to same degree of regulation as listed securities

Not Officially listed

Price at time of suspension

indicated dividend after pending scrip and/or rights issue

Redemption yield, F Flat yield, A Assumed dividend and yield, H Assumed dividend and yield after split issue, I Payment from interest income, J Dividend received less than assumed dividend, K Rights issue pending, L Earnings based on preliminary figures, M Dividend and yield exclude a special payment, N Indicated dividend rate relates to previous dividend, P/E ratio based on latest price, Q Dividend rate based on current price, R Dividend rate, cover based on previous year's earnings, S Subject to local tax, T Cover based on excess of total yields, U Dividend and yield on compound terms, V Dividend and yield include a special payment, W Covered cost of 100% to 120%, X Dividend and yield, B Preference dividend passed or deferred, C Canadian, E Minimum tender price, F Dividend and yield based on average of two years, G Dividend and yield based on 60-80-90, H Dividend and yield after posting stock, I Dividend and yield based on prospectus or other official statement.

Albany Inv 20%	81	Arnetts	494
Craig & Rose L. v	628	Carroll (P. J.)	143
Finlay Phs. 5%	58	Hall (P. & H.)	280
Holt Load 25%	1348-3	Hobson Hldgs. v	180
		Imperial	2154
		United Drug	1671-42

Sec. 84 1/4 L. 1991	594
Sec. Cap. L. 1990	5793-4
Fls. 13 % 97/02	1167

IRISH

TRADITIONAL OPTIONS

Beth Aerospace	42	Victors	16
Beth Steel	9	Wellcome	68
Beth, Telecom	25		
Boxbury	27		
Charter Co.	48	Property	
Coast Union	40	Brit Land	32
Coastal	31	Control Secs.	5
Coastal	62	Land Securities	44
FIAT	7	M&C	46
FNFC	21	Mountleigh	34
Gay Accident	19		
GEO	18	Oils	
GEO	56		
Grand Met.	45	Arco Petrol	54
Guardian	19		

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £1,050 per annum for each security.

brother
MICROWAVES
KNITTING MACHINES • INDUSTRIAL AND
DOMESTIC SEWING MACHINES

FINANCIAL TIMES

Weekend March 17/March 18 1990

Royal Brerley
THE FINEST ENGLISH FULL LEAD CRYSTAL

Bonn says unification will bring increase in W Germany's GDP

By David Marsh in Bonn and Andrew Fisher in Frankfurt

THE BONN Government yesterday forecast that economic renewal in East Germany, which goes to the polls tomorrow in its first democratic elections, would add an extra 1 percentage point a year to West German gross national product.

The optimistic projection, from Mr Manfred Carstens, parliamentary state secretary in the Finance Ministry, came amid expectations that Sunday's East German vote will lead to a coalition government in East Berlin led by Social Democrats (SPD).

East Germany's first democratically-elected administration in its 40-year history is also likely to be its last. The new government will quickly enter into what are expected to be difficult negotiations with Bonn on unifying the two German states, leading perhaps next year to an all-German general election.

Opinion polls indicate that the SPD may gain 35 to 40 per cent of the vote, with the alliance of three conservative par-



Showing the flag at an East German election rally

ties perhaps clinching 20 to 25 per cent. Voters will be choosing from a bewildering proliferation of 24 separate parties and alliances.

The Communists, who have ruled for 40 years as the Socialist Unity Party (SED), are participating under the new name of the Democratic Socialist Party (PDS). Profiting from widespread East German fears about being overrun by the West, the PDS could gather 10 per cent or more of the votes.

Mr Helmut Kohl, the West German Chancellor, underlining the dominance of the East German election campaign by personalities, slogans and funds from the Federal Republic, said yesterday that the poll would be "a fateful election for the whole of Germany."

Mr Helmut Haussmann, the Bonn Economics Minister, after several weeks of agreements between East and West Germany on forging economic links, yesterday voiced a note of warning by proposing anti-trust efforts to prevent monopolies in the two Germanys.

Berlin to consider the competition aspects of fast-growing West German participation in the East German economy.

He did not mention any specific deals. However, he did cite newspaper distribution and insurance as possible areas, referring implicitly to this week's deal by Allianz, West Germany's biggest insurer, to establish a joint venture with East Germany's state insurance company.

The cartel office, which at present can rule only on acquisitions in West Germany, welcomed Mr Haussmann's proposal.

The anti-trust authority has already indicated misgivings about the aim of West Germany's Lufthansa airline to take a 25-per cent stake in the East German state carrier, Interflug. It said yesterday that it was important not to create industrial groupings that could turn out to contravene the cartel law after unification. Reports from East Berlin, Page 2; Editorial Comment, Page 6

Changes in electricity pricing favour large businesses

By David Thomas, Resources Editor

LARGE industries and commercial enterprises will have their electricity bills cut while households and small businesses will face above average rises.

An unexpected package of price changes in favour of large business customers has been undertaken by the 12 area electricity boards in England and Wales in preparation for the new electricity market to be introduced on April 1.

It follows successful lobbying by business organisations complaining that they faced large price increases.

Price changes for 1990-91, to take effect on April 1, were announced this week by most of the area boards.

Examples include: ● LEB, covering London, raised household tariffs by about 9.5 per cent but cut prices for large businesses by more than 10 per cent.

● East Midlands raised household tariffs by 8.2 per cent but cut prices for large businesses by almost 20 per cent.

● Norweb, based in Manchester, lifted household tariffs by 8.5 per cent but cut prices for large businesses by 8-12 per cent.

● Northern Electric, based in Tyne-side, increased household tariffs by 10.9 per cent but cut its other prices by almost 12 per cent.

Many of the price cuts for businesses have occurred because users with a maximum demand of more than 1MW can now negotiate individual contracts with their area boards.

Mr Charles Ryder, chairman of the Major Energy Users' Council representing 125 large users, said the cuts were a surprise. "We suspect that there is a lot of jockeying for market position. We are very apprehensive that next year we could see sharp increases."

Mr Jim Forbes, Northern Electric's director, explained the cuts by saying that large users did not make so much use of the distribution system.

Mr John Wakeham, Energy Secretary, announced "last month that prices for large users would not increase by more than the inflation rate in 1990-91 but there was no suggestion of cuts."

Most price-cutting contracts to date seem to have been negotiated for users with demand of 10MW to 100MW, equivalent to a medium-sized factory.

BTR invaders move on New England

It is a measure of BTR's standing in the market that it can launch a hostile \$1.6bn bid - valuing the target at a premium of 70 per cent to its own multiple - and its shares jump by 5 per cent. Yesterday's \$75 per share tender offer for Norton fits neatly into the carefully cultivated image of the ideal BTR target. A sleepy industrial company with 113 plants in 26 countries, and producing hundreds of thousands of products dominating niche markets, Norton's margins are little more than half BTR's, and it does not need a mathematician to guess how long it will take BTR to correct this anomaly.

BTR would like to believe that the offer is more of a pre-emptive strike than a sighting of a target. The company's share price has been under pressure since the Norton bid, and a 40 per cent premium over the 12 month trailing average, is a serious offer. The collapse of the US junk bond market means that the leveraged buy-out merchants, which could have been counted on to push up the price with competing bids a year ago, should not present a problem. But although yesterday's move in the Norton share price suggests a certain wariness on the part of the arbitrageurs, it would be surprising if there were not other well-financed US companies which can do their arithmetic on Norton just as easily as BTR.

At the bid price, BTR should have no difficulty in more than covering its financing costs with a little improvement in Norton's margins. However, it all sounds a little too simple and there must be a worry that there are other skeletons in the Norton cupboard, such as environmental problems, which have frightened other potential bidders away in the past.

Markets

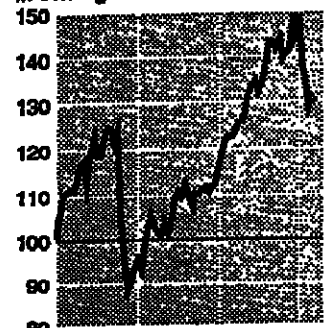
The UK equity market has ended the week on a surprisingly firm note, the last time that the FT-SE 100 jumped by more than 20 points was when the market peaked at the start of the year. The mood is far less euphoric now, but the 3,200 level on the FT-SE, which roughly equates with 5 per cent yields, is proving to be a remarkably robust support point. The worry has always been that if the index breached this level then it could easily shed another 100 points.

The UK government's political and economic problems do not seem just as serious as ever. However, sterling and the gilt-edged market have stopped

FT Index rose 23.7 to 1,765.7

FT-A World Index

In Sterling terms



falling, for the moment, and corporate profits and dividend growth have been comfortably exceeding expectations. Household names from Glaxo downwards have been raising their dividends faster than their earnings, which suggests that the corporate sector is more confident than the electorate.

The other prop for the UK equity market has been Wall Street. The recent savage correction in global bond markets has been halted and this has enabled the Dow Jones Industrial Average to recoup most of its earlier losses. Admittedly, the recovery has been largely confined to the big capitalisation stocks and the broader market averages are still well below last October's peaks.

It would be wrong to read anything into this week's recovery in share prices. The chances of further rises in West German and Japanese interest rates are just as strong as before, and next week's UK budget could be the least of sterling's short-term problems. If the pound survives next week's UK trade figures and the expected Tory defeat in the Mid-Staffs by-election, then there could be grounds for turning more bullish.

UK Budget

When Mr Lawson was in charge of the Treasury, the markets could normally be certain of at least one surprise in the Budget. The low-key sum-

exerised by Mr Major would appear to rule out such dramatic moves as immediate entry into the Exchange Rate Mechanism or a further rise in interest rates. But this will be the first televised Budget, and Mr Major is undoubtedly ambitious, so there is likely to be at least one crowd-and-one City-pleasing measure on Tuesday. Fiscal policy will be tight-

ened, to prevent a sterling free-fall, but the squeeze will not be too dramatic. It is still far from clear how close the economy is to recession, so the Chancellor will want to avoid overkill. That restricts his options on personal taxation. Non-indexation of personal allowances would be electorally damaging while having little effect on the economy; the same objections apply to partial indexation. Tinkering about with national insurance contributions could at least be classed as tax reform, whilst leaving the lower-paid unaffected. Taxes on perks and pollution could bring in the extra revenue. Excessive duties also present a dilemma. Full indexation would by itself add 0.5 per cent to inflation. In the short-term, that would probably push the annual rate over 9 per cent, increasing the likelihood of high wage increases. However, indexation this year would allow Mr Major greater flexibility to bring down inflation, by not increasing duties, in next year's Budget.

The crowd-pleaser may well come on the housing front with abolition of stamp duty currently looking more likely than raising the mortgage interest relief threshold. Pleasing the City probably requires a return to monetary rectitude and at least a hint of an ERM entry date.

Automated Security

There has often been a discrepancy between the perceived virtues of the security business - the rising crime rate, the recurring revenues from alarm installation and repair - and the performance of the security companies themselves. Automated Security Holdings has avoided most of the pitfalls, steering clear of manned guarding and only recently making a major move into the US. There is still a chance that its latest burst of expansion, which saw two rights issues in successive years, will prove its undoing. Gearing is over 80 per cent and there is an off-balance sheet exposure through Arius in the US.

However, much of the debt is in dollars and at capped rates. And the company has two significant strengths: the largest installed alarm base in the UK and a fast growing operation in closed circuit TV and security tagging. Even if ASH does spoil its long-term record - 30 per cent compound pre-tax profits growth over 5 years - a predator would find those assets irresistible.

Iraq to stage anti-British protests

By Victor Mallet, Ralph Atkins and Peter Montagnon

THE BAGHDAD government has announced plans to stage anti-British protests throughout Iraq today, following the execution on Thursday of Mr Farzad Bazof, the London-based journalist accused of spying.

"Huge demonstrations will take place," the official Iraqi News Agency said yesterday. The Foreign Office in London said the 2,000 Britons resident in Iraq had been advised to take precautions and stay off the streets.

Mr Tariq Aziz, Iraq's Foreign Minister, has warned that Britain will suffer the conse-

quences of the limited diplomatic measures it has taken against Iraq. It has emerged that Iranian-born Mr Bazof was sentenced to 18 months' imprisonment in 1981 after attempting to rob a British building society. After a year in jail he was ordered to be deported but he won an appeal against this on the grounds that he might be mistreated in Iran.

There was speculation yesterday that at the time police might have encouraged him to report on Iranians in Iraq and Conservative MP Rupert Allason said he thought it

likely he would have agreed to spy for Iraq.

In London yesterday, bankers in the City said a fear that Iraq might default on \$300m of outstanding British trade debt guaranteed by the Export Credit Guarantees Department (ECGD) was one reason why Britain had so far been reluctant to impose trade or financial sanctions.

If Iraq did default, it would be a serious blow to the ECGD, which has suffered large losses on its exposure elsewhere. Mr Harold Walker, the British ambassador to Baghdad, arrived in London yesterday.

He had been summoned home as a mark of protest at the execution of Mr Bazof and at the 15-year-jail sentence imposed on Mrs Daphne Parish, the British nurse who assisted Mr Bazof when he was trying to investigate an explosion at a suspected missile facility.

Mr Douglas Hurd, the Foreign Secretary, is expected to discuss the issue at a meeting of European Community and Gulf ministers in Oman this weekend. He is unlikely to be pleased by a statement yesterday from King Hussein of Jordan in defence of Iraq.

Scrap metal workers win 37-hour week

By Michael Smith, Labour Correspondent

MORE THAN 20,000 scrap metal workers have won the promise of a "no strings" 37-hour week in what is seen as one of the most significant breakthroughs in a national campaign by unions for a shorter working week.

The offer from the British Scrap Federation represents the first time in the campaign that employers in any industry have agreed a national deal. Previous deals have covered

workers at individual engineering companies and, in most cases, they so far involve only employees at some plants.

Momentum for a shorter week has built up in recent weeks after agreement at British Aerospace plants and an agreement in principle at Rover Group. Earlier this week British Rail offered a 37-hour week to its employees.

Mr Bill MacIntosh, national officer for the GMB general

workers' union, said that the scrap metal deal had been struck without the unions having to make productivity concessions that other employers had demanded. For the first time an employers' organisation had recognised that a shorter week was inevitable.

The British Scrap Federation represents about 400 companies. There are 10,000 registered scrap merchants in the UK but most are small and the

federation has the membership of most of the big merchants including Coopers, the Bird Group, Sheppard Group and Mayer-Newman.

The hours agreement, which will be in place by April 1990, is part of an annual pay and conditions accord which the GMB says will increase pay rates by 9 per cent.

The Scrap Federation denied that the rise was 9 per cent but refused to comment in detail.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)		
Aluminium	467	+ 7
Metallgesellschaft	420	+ 10
Paracel	1080	+ 15
Schering	532	+ 18
Pfizer		
Lafayette	1080	- 34
Lafayette	335	- 8
NEW YORK (\$)		
Aluminium	90 1/2	+ 1/2
Gold	43 1/4	+ 3 1/4
Goldman Sachs	25 1/2	+ 1 1/2
Norfolk	75	+ 16 1/2
Pfizer		
Biocraft Labs	14 1/2	- 2 1/2
First Chicago	31 1/4	- 1 1/4

New York prices as at 12.30pm.

LONDON (Pence)		
Aluminium	60 1/2	+ 5
BAA	398	+ 5
BAT Ind	114	+ 10
BTI	437	+ 20
Citigroup	117	+ 3 1/2
Euro Disney	180	+ 30
Gen Accident	1047	+ 10
Glaxo	787	+ 36
Harrimans A	718	+ 22
Hartwell	150	+ 9
Hepworth	270	+ 10
Land Sec	478	+ 11

WORLDWIDE WEATHER

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Alaska	17	10	10	London	10	10	10
Alaska	17	10	10	London	10	10	10
Alaska	17	10	10	London	10	10	10
Alaska	17	10	10	London	10	10	10
Alaska	17	10	10	London	10	10	10
Alaska	17	10	10	London	10	10	10
Alaska	17	10	10	London	10	10	10
Alaska	17	10	10	London	10	10	10
Alaska	17	10	10	London	10	10	10
Alaska	17	10	10	London	10	10	10

C - Cloudy, D - Drizzle, F - Fog, H - Heat, N - Rain, S - Snow, SS - Sleet, SH - Show, T - Thunder.

Collor plans

price and wage rises, setting a ceiling on increases over the coming three months.

Details of the third currency change in four years - a new cruzado currency - remained a mystery.

So, too, did a regulation which will oblige large financial institutions to take shares in state sector companies in what seems to be an innovative privatisation scheme.

It was obvious, however, that the package is more comprehensive than its ill-fated predecessors. The package, and the federal spending cuts presented at Thursday's inauguration, make it clear that Mr Collor is attempting to enact at a single stroke his campaign promise of a thorough liberalisation of the economy.

He presented the package to

political party leaders at his first cabinet meeting early yesterday.

He stressed that the bill for the reforms would be paid largely by business and by the rich who have profited from years of inflation.

That was demonstrated by tough taxes on many financial transactions, capital gains and personal fortunes.

The President faces tense negotiations with Congress. Most of the regulations are tabled as "provisional measures" which must be approved by Congress within 30 days.

They can be re-tabled if rejected, but this would represent a moral defeat for the President and could provoke legislative chaos.

Mr Collor is counting on the goodwill that accompanied his inauguration to carry his

BTR bid

Continued from Page 1

March 15, would be financed by debt and would raise group gearing to up to 70 per cent, subject to certain assumptions.

These mainly revolve around Norton's planned sale of Eastman Christensen, its oilfield services operation, to Baker Hughes in a cash and warrant transaction valued at some \$600m. "Depending on how much of that cash finishes up in the company and how much debt is moved in and out with the disposal, you could bring the multiple down to perhaps

only 16 times", according to Mr Christopher Bull, finance director.

The offer, which is conditional upon the valid tendering of at least two-thirds of the outstanding shares, is scheduled to expire at midnight on April 12. If it has not been endorsed by the Norton board by March 30, BTR intends to seek majority board representation at the company's AGM on April 26.

Norton has a "poison pill" anti-takeover provision which

would permit shareholders to acquire stock at half-price under certain circumstances. It could also turn for protection to the anti-trust and anti-takeover statutes of the state of Massachusetts.

BTR said that litigation was started yesterday with the aim of removing these potential stumbling blocks.

Earlier this week, the group reported that pre-tax profits had exceeded the \$1bn mark for the first time on turnover of \$7.03bn.

UK productivity

Continued from Page 1

January, while output of the manufacturing and energy sectors combined fell by 0.7 per cent.

The City had been expecting the rise in UK exports to more buoyant overseas markets to result in a slight production rise.

January's figures were affected by special factors. Output of investment goods was hit by strikes in the engineering and aerospace industries. But consumer goods produc-

tion picked up, reflecting the resilience of high street spending, economists said.

Details of Britain's overall economic performance last year showed that domestic demand continued to be robust.

Consumers' expenditure grew by 4 per cent in 1989, while growth of gross domestic product slowed to an annual 2.3 per cent. Fixed investment rose by 5 per cent in 1989. The Government announced

that income from employment grew 11 per cent between 1988 and 1989, leaving growth of real disposable income at a strong 4.5 per cent last year after 1988's exceptional 5.3 per cent.

Mr Gordon Brown, Labour's trade and industry spokesman, said this was the "worst possible news for the Chancellor, with new figures revealing that industrial production, manufacturing output and overall investment are now falling."

FIDELITY INTERNATIONAL

GLOBAL INVESTMENT MANAGEMENT AT ITS BEST.

Fidelity is one of the world's leading investment management organisations with a network of strategically placed fund management operations covering the globe.

Single-minded dedication to providing superior investment performance is the foundation of our business. With one of the largest buy-side research teams in the world, the resources we commit to generating sound, original investment ideas are probably unsurpassed in the fund management business.

And, because Fidelity is a privately-owned company, we're better able to invest in the people and systems to excel in the future - a paramount consideration when choosing an investment manager.

It's no wonder companies within the Fidelity Organisation together manage over \$115 billion.

For further information, please contact Hilary Smith, Director, on 44 1 283 9911.

THE VISION TO SEE FURTHER.
THE RESOURCES TO LOOK CLOSER.

Fidelity
INTERNATIONAL

LONDON BOSTON BERNABA TOKYO SYDNEY HONG KONG TAIPEI JERSEY LUXEMBOURG

BANGKOK 28° 82° Sunny

Fly Thai 01-499 9113

هنا آمنه الأصل

FINANCE & THE FAMILY

Terry Dodsworth with pointers for the Chancellor's speech

Be alert for tax changes on Tuesday

WITH THE UK economy on a knife edge, few people think that John Major, the Chancellor, has much scope for either cuts or increases in personal taxes in the Budget on Tuesday. But if he does choose to tinker with the present system, these are the points you should be looking for in his speech.

■ Watch out, first of all, for moves on income tax. Although Major supports the previous Chancellor's aim of cutting the basic rate of tax from 25 per cent to 20 per cent, economists believe that he is more likely to raise the tax take this year by refusing to allow full indexation of the income tax bands.

Under the present rules, your tax bands — you get £2,785 tax free, with rates of £20,700 taxed at 25 per cent and the rest at 40 per cent — should be increased automatically to take account of inflation. Unless overruled by Major, this system would produce a 2.7 per cent increase in the personal allowance taking it to £2,800 — based on the annual inflation rate to December of last year.

The Chancellor may also decide to alter the rules for Capital Gains Tax. Under the present regime the first £5,000 of capital gains entirely escape the normal 40 per cent tax — a concession worth £2,000 a year if you are lucky enough to make such large profits. Change is possible, however, because of the switch to independent taxation for married women, which will give wives their own CGT allowance. It is possible that the new provision for spouses will be accompanied by a cut in the rate — otherwise families would see their allowance double.

■ Another area to watch for indexation is inheritance tax. The first £118,000 of an estate currently escapes IHT, while the rest is taxed at 40 per cent. It might be argued that this is not such an acute issue this year, since the value of many estates is locked up in the family home, where prices have stagnated over the last year. But a full 7.7 per cent inflation proofing would take the tax-free limit to £127,000.

■ An inflation-related increase in the duty on alcohol, cigarettes and petrol is a stronger option for action by the Chancellor, because of the restraining impact this would have on personal expenditure. The Chancellor's problem here is that a 7.7 per cent rise in duty, the equivalent of 42p, including VAT, on a bottle of spirits, and 7.4p on a packet of 20 cigarettes, would push up the Retail Price Index by around half a percentage point at a time when he is trying to drive down inflation.

If he decides to go ahead with such a measure, it is widely felt that he will combine any change on petrol to include further inducements for motorists to switch to lead-free fuel. An inflation-related increase in the duty on petrol would amount to just over 8p a gallon or 1.2p on 7p unleaded.

■ Many motorists should also be alert to changes on the company car front. In his last two budgets, Nigel Lawson raised the tax levels on the notional benefit of running a company-provided car very sharply. Nevertheless, there is pressure from tax reformers for further increases, particularly on individuals who make only limited use of their vehicle for business.

■ If you are a house owner, keep an eye open for the possibility of an increase in mortgage interest relief. Though not thought to be a likely change, it has been suggested that many young potential home owners would be helped by an increase in the present borrowing ceiling of £30,000 eligible for interest relief to £40,000. Such a change could be combined with a move to give interest relief only on standard rate tax.

■ On the savings front, lobbyists have been suggesting two main changes to persuade consumers to invest rather than spend. First, they would like to see an increase in the amount that you can put into personal equity plans (PEPs). This amount stands at £4,000 a year, all of which is free of income and capital gains tax. One idea is that the figure could go up to £6,000, while at the same time allowing investors to put more of their PEP funds into unit or investment trusts.

Second, and more important for the bulk of savers, there has been growing support for the idea of abolishing composite rate tax (CRT), the automatic deduction of irrecoverable income tax on your building society and bank deposits.

The issue has become more important with the introduction of independent taxation, since many non-wage earning spouses will now be able to receive around £3,000 a year free of tax on their investment income.

It is also significant for the building societies, which fear a big drain on their funds. However, the Chancellor may be to act on this front, he must be aware of the dangers of ignoring the building societies at a time when the mortgage rate — which is inevitably linked to the price the societies pay for the deposits — is such a red-hot political issue.

Special account withdrawn

WHITECHURCH Securities, the Bristol intermediary, has withdrawn its special "350 account" that offered to pay interest on investments and was, therefore, of special appeal to married couples seeking to take advantage of the new system of independent taxation.

However, the account — launched last month in a blaze of publicity — caused some controversy because it effectively opened the way for many intermediaries, and stockbrokers, to use their client accounts, where money is "stored" between investments, for a totally different purpose. Kean Seager, managing director of Whitechurch, who drew up the idea, said the Bank of England had ruled that the account would be regarded as a deposit taking exercise, which requires authorisation under the Banking Act, unless it qualified as one of the exemptions.

That was left up to the

Financial Intermediaries Managers and Brokers Regulatory Association (Fimbra) to decide. Its initial view was that it was prepared to listen to legal views.

However, Seager said it was obvious the authorities, who initially seemed happy about the idea, were now worried about allowing a possible loophole in the regulations that might be exploited by less reputable companies. So he had decided not to go ahead, since it was not worth becoming involved in a legal battle.

The £300,000 or so put into the 350 account would be returned, plus interest, to the investors, with a recommendation that they instead use the offshore accounts offered by reputable names, such as the Bradford & Bingley building society subsidiary in the Isle of Man.

J.E.

Pooled Portfolio Management

provided by

MW Joint Investors Fund

- no initial charge
- international spread
- share exchange facilities
- £10,000 minimum

For further information please contact:

MW Investment Managers
46 Court Street, Haddington
East Lothian EH41 3NP
Tel. 062-082 5867

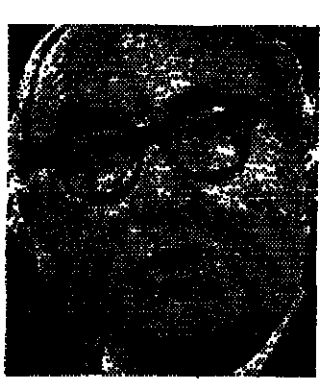
Member of IMRO and LAUTRO



Hugh Galt: raised taxes



James Callaghan: cumulative



Roy Jenkins: severe



Denis Healey: spending cuts



Geoffrey Howe: lifted duties



John Major: in the wings

Clamping down: a history of tough Budgets

THERE ARE many who fear, and some who hope, that John Major, the Chancellor, will introduce a tough Budget on March 20. If it is tough, past experience may provide some hints of what we can expect.

The most severe Budget of recent experience was the one introduced by Sir Geoffrey Howe in 1978, in the middle of the deepest post-war recession and while unemployment was rising at an horrendous rate, he failed to raise personal tax allowances at a time of rapid inflation. He also raised alcohol and tobacco duties by 30 per cent. His actions produced a letter of condemnation from 384 economists.

Although it was not the toughest post-war Budget, the extraordinary feature was that it defied post-war tradition by clamping down on the economy at a time when production was tumbling. Before that, the usual idea was to introduce a tough budget in the boom — to slow the economy down — and a generous budget in the recession — to speed it up.

But in 1981 the first priority was to defeat inflation and to establish the Government's commitment to the medium term financial strategy. The tax increases, which also included a special tax on bank deposits, totalled about 1.7 per cent of GDP.

Denis Healey produced a tough Budget in December 1976. He raised tobacco and alcohol duties by 10 per cent. More important, he announced savage public spending cuts for the coming year. His actions were prompted by the collapse of sterling during 1976 and the measures were part of the conditions for the IMF loan of \$3.9bn. Before that, Roy Jenkins had produced a severe Budget in 1968. It followed the sterling devaluation of November 1967 and was designed to create room for the hoped-for improvement in the trade balance.

Jenkins raised purchase tax and the duties on tobacco, alcohol and petrol. He also raised the Selective Employment Tax (a tax specifically directed at the service sector), imposed a special levy on investment income and raised vehicle licence duties. Altogether he raised taxes by over £7bn in today's prices or about 2.1 per cent of GDP.

One of the problems of comparing Budgets is defining their degree of severity. We tend to start by assuming that income tax allowances will be raised in line with inflation. Failure to do that is regarded as a tightening of fiscal policy. That approach is embodied in the so-called "Rooker-Wise" Amendment to the Finance Act of 1977 which requires Chancellors to adjust allowances for inflation unless they seek specific approval from Parliament. Before, they would claim credit for their generosity.

However, on any definition, the toughest post-war Budget was introduced by Hugh Galt in 1981. He raised income tax, purchase tax and petrol duties and cut welfare services. The squeeze was worth about 2.7 per cent of GDP and was designed to make room for increased defence spending at the time of the Korean War. Although the 1981 Budget was the hardest single blow to the taxpayer, James Callaghan

deserves a mention for the cumulative misery of his Budgets in 1964 (an Autumn Budget), 1965 and 1968. (That experience may be contrasted with Rab Butler's appearance as Father Christmas each year from 1952 to 1955, although he had to reappear as Scrooge after the election.)

If the blow is to fall next Tuesday, history does not seem to provide much guide to what form a tough Budget will take. In the past, Chancellors were not afraid to raise indirect taxes sharply to cut demand, but that seems less likely now.

Do tough Budgets lose elections? The Labour Party lost in 1961 and again in 1970 (in spite of a more generous Budget than 1978). It also lost in 1979 (again, in spite of a more generous Budget in 1978). The Conservatives won in 1983,

after the tough Budget of 1981. It would be hazardous to suggest a rule, since elections are not simply about Budgets. Of the four tough Budgets I have described, three were introduced by Labour Governments and one by a Conservative Government. The tough Labour Budgets were followed by electoral defeat; the tough Conservative Budget was followed by electoral victory.

Do we accept nasty medicine more readily when it is dispensed by Conservative Chancellors? If John Major is as brutal as some commentators want him to be we shall see the theory tested at the next election.

Alan Budd
■ Alan Budd is Economic Adviser to Barclays Bank PLC

record £130 million last year via MIM Limited, our award-winning investment management company which manages all three portfolio options available with TAXHAVEN.

High Income: for a selection of UK ordinary shares that provide an above average income, with good prospects for capital appreciation over the longer term...

Blue Chip: which invests in UK 'blue chip' companies (usually large groups—often household names) which have a consistent record of profit and dividend performance...

Special Situations: invests in UK shares which could include rapidly growing smaller companies, new issues or take-over targets...

Of course, past performance is no guarantee of future success because the value of shares and the income from them, can fluctuate and investors may not get back the amount they invested.

TAXHAVEN - TAX FREE GROWTH FROM UK SHARES

TIME IS RUNNING OUT!

ACT NOW!

Don't miss the FINAL DEADLINE for maximum tax free benefits!

TAXHAVEN is a share PEP (Personal Equity Plan) which invests directly into UK shares for **TOTALLY TAX FREE** investment profits:

- * FREE of Income Tax, even for higher rate taxpayers, and
- * FREE of Capital Gains Tax, and
- * FREE of any penalties when you need your cash.

You can invest as little as £1,000 into TAXHAVEN, but it must make sense to invest the maximum allowed £4,800 (£9,600 for couples) in any tax year (April 6th to the following April 5th).

BUT HURRY! Time is running out for the 1989/90 tax year. And, because of the Government's PEP rules, only applications received by 29th March 1990 will qualify! **SO ACT NOW TO BEAT THE FINAL DEADLINE!**

PUT YOUR SAVINGS TO WORK WITH THE PEP EXPERTS

With £1.4 billion under management, MIM Britannia is one of the largest and most successful UK unit trust companies, and a market leader in PEPs: attracting a MIM BRITANNIA

MIM Limited is a member of IMRO.

TAXHAVEN - 1989/90 APPLICATION FORM

Do you or your partner already have a PEP with MIM Britannia? If so, please give your account number(s) (please see notes on all PEP statements).

Additional reference number of your partner:

YOU (Mr/Mrs/Ms/Other)

First Name: _____
Surname: _____
Address: _____
Postcode: _____
Telephone: _____
National Insurance No.: _____
Sex: _____
Tax District: _____

YOUR PARTNER (if investing)

First Name: _____
Surname: _____
Address: _____
Postcode: _____
Telephone: _____
National Insurance No.: _____
Sex: _____
Tax District: _____

I would like to invest £ _____ in _____
Special Situations High Income Blue Chip

I would like to invest £ _____ in _____
Special Situations High Income Blue Chip

Please send to: MIM Limited, 11 Davenport Sq., London EC2M 4YR.

PLEASE READ AND SIGN THE FOLLOWING DECLARATION

I/we apply for a TAXHAVEN Personal Equity Plan for the current fiscal year. I/we confirm that I/we have read and understood the current brochures and agree to be bound by the terms and conditions.

I/we declare that I/we are aged 18 or over, and I/we are resident and ordinarily resident in the United Kingdom (UK) for the purposes of non-resident but performing duties which by virtue of section 135(4)(a) of the Income and Corporation Taxes Act 1988 are treated as being performed in the UK, and that I/we have made no other application to subscribe to another Personal Equity Plan for the tax year in which this application relates.

I/we authorize MIM Limited to hold my/our cash subscription, plan investments, interest, dividends and any other rights or proceeds in respect of shares in investments and any other cash and to make on my/our behalf any claims for relief from tax in respect of my/our plan investments to the Inland Revenue. I/we authorize MIM

Linked as Plan Manager on my/our written request to purchase my/our plan(s), transfer or pay to me/you, or another plan manager, as the case may be, the proceeds in respect of my/our plan(s).

I/we declare that the information given in this application is true and correct to the best of my/our knowledge and belief and that I/we will inform MIM Limited without delay of any change in my/our circumstances affecting any of the information given on the form.

FT/19/90

Signature _____ Date _____

Signature _____ Date _____

TAXHAVEN TERMS AND CONDITIONS

1. The "Investor" means the individual who is named in the Application Form on the applicant.

2. The "Plan" means the Personal Equity Plan established under the Finance Act 1988.

3. The "Plan Manager" means MIM Britannia Limited, which is a member of the Investment Management Regulatory Organisation (IMRO) and is licensed under the Financial Markets Act 1986.

4. The "Plan" shall be established in the name of the Investor and shall be held in the name of the Plan Manager.

5. The Plan Manager shall be responsible for the management of the Plan and shall have the right to invest the funds of the Plan in any manner it sees fit, subject to the terms and conditions of the Plan.

6. The Plan Manager shall be responsible for the payment of any taxes due on the Plan and shall have the right to deduct any such taxes from the Plan's assets.

7. The Plan Manager shall be responsible for the payment of any fees or charges in connection with the Plan and shall have the right to deduct any such fees or charges from the Plan's assets.

8. The Plan Manager shall be responsible for the payment of any interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

9. The Plan Manager shall be responsible for the payment of any capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

10. The Plan Manager shall be responsible for the payment of any income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

11. The Plan Manager shall be responsible for the payment of any inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

12. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

13. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

14. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

15. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

16. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

17. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

18. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

19. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

20. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

21. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

22. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

23. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

24. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

25. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

26. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

27. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

28. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

29. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

30. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

31. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

32. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

33. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

34. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

35. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

36. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

37. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

38. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

39. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

40. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

41. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

42. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

43. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

44. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

45. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

46. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

47. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

48. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

49. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

50. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

51. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

52. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

53. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

54. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

55. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

56. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

57. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

58. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

59. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

60. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

61. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

62. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

63. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

64. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

65. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

66. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

67. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

68. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

69. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

70. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

71. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

72. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

73. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

74. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

75. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

76. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

77. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

78. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

79. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

80. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

81. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

82. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

83. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

84. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

85. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

86. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

87. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

88. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

89. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

90. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

91. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

92. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

93. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

94. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

95. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

96. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

97. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

98. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

99. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

100. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

101. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

102. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

103. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

104. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

105. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

106. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

107. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

108. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

109. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

110. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

111. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

112. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

113. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

114. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

115. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

116. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

117. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

118. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

119. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

120. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

121. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

122. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

123. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

124. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

125. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

126. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

127. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

128. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

129. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

130. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

131. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

132. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

133. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

134. The Plan Manager shall be responsible for the payment of any other interest or dividends on the Plan and shall have the right to deduct any such interest or dividends from the Plan's assets.

135. The Plan Manager shall be responsible for the payment of any other capital gains tax on the Plan and shall have the right to deduct any such capital gains tax from the Plan's assets.

136. The Plan Manager shall be responsible for the payment of any other income tax on the Plan and shall have the right to deduct any such income tax from the Plan's assets.

137. The Plan Manager shall be responsible for the payment of any other inheritance tax on the Plan and shall have the right to deduct any such inheritance tax from the Plan's assets.

138. The Plan Manager shall be responsible for the payment of any other taxes due on the Plan and shall have the right to deduct any such other taxes from the Plan's assets.

139. The Plan Manager shall be responsible for the payment of any other charges in connection with the Plan and shall have the right to deduct any such other charges from the Plan's assets.

140. The Plan Manager shall be responsible for the payment of any other fees or charges in connection with the Plan and shall have the right to deduct any such other fees or charges from the Plan's assets.

141. The Plan Manager shall be responsible for the payment of

SOUTH EASTERN RECOVERY ASSURED HOMES PLC

A PREMIER OPPORTUNITY TO INVEST IN PROPERTY WITH TAX RELIEF

- South Eastern Recovery Assured Homes PLC has, to date, raised over £1.5 million – well in excess of the minimum subscription and therefore the issue will proceed.
- The Company is seeking to buy sites, on which it will build homes, thus retaining development profit and offering significant potential for capital growth.
- The professional management, with wide experience of the property market and the Business Expansion Scheme (BES), are seeking to purchase property in prime sites in the South East with easy access to major urban conurbations.
- The costs of the issue are exceptionally low – 3.9% of funds raised at all levels of subscription.
- The minimum investment is £1,000 and the Company is seeking to raise up to £5 million. The closing date for subscriptions is 5th April 1990.

For a Prospectus telephone 01-491 9849 or post the coupon below.

To: South Eastern Recovery Assured Homes PLC
Enterprise House, Ashford Road,
Ashford, Middlesex TW15 1XB.

Please send me a Prospectus:

Name: _____

Address: _____

Postcode: _____

This Offer is intended to qualify under the terms of the Business Expansion Scheme. Under current legislation, and depending on the individual circumstances of investors, investors should therefore obtain INCOME TAX RELIEF (effectively a discount of 25% or 40% off the price of shares depending on the circumstances of the investor) and CAPITAL GAINS EXEMPTION provided Shares are held for five years.*

Subscriptions will be accepted only on the terms and conditions set out in the Prospectus, and on the application form thereto. Shares in the Company are not traded on any recognised exchange and it may therefore be difficult for the investor to sell them. Investment in unquoted companies carries a higher degree of risk than in quoted companies. Potential investors should seek independent financial advice from their financial adviser. This advertisement has been approved by Girdle, Middleton & Co Ltd, of 88 Wilson Street, London EC2, a member of The Securities Association and The International Stock Exchange and a firm authorised under the Financial Services Act 1986.

*The Company will be subject to Corporation Tax on its chargeable gains.

FINANCIAL & PROFESSIONAL SERVICES IN S.E. WALES

The Financial Times proposes to publish a Survey on the above on

11 APRIL 1990

For a full editorial synopsis and advertisement details, please contact:

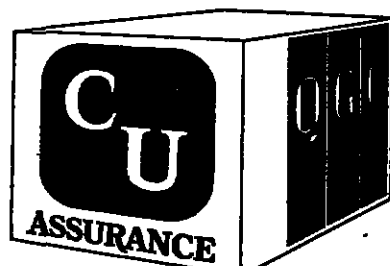
CLIVE RADFORD

on (0272) 292565

or write to him at:

Merchants House, Wapping Road,
BRISTOL BS1 4RW

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER



Commercial Union (BES) Investment Management Ltd

announces the launch of the CUBES I FUND 1989/90

An Approved Business Expansion Scheme Fund with the objectives of:-

- subscribing for new shares with tax relief for qualifying investors.
- utilizing the Commercial Union Group's long experience of unquoted investment.
- investing in companies showing the potential for significant capital growth.
- achieving a spread of risk by investing across a diverse range of business sectors (excluding assured tenancies).

Minimum Fund size £1 million. Maximum Fund size £3m. Minimum participation £2,500. Final closing date 28 March 1990 (extended from 12 March 1990).

The procedure for application and the terms and conditions under which applications will be accepted are contained in the Fund Memorandum. If you would like to receive this, please telephone: 01-621 9790 on Saturday/Sunday (10am-4pm) or 01-283 7500 extn 2537 Monday to Friday (9am-5pm).

Investment in unquoted shares carries higher risks than investment in quoted shares. You should seek expert advice before investing in any BES scheme.

Commercial Union (BES) Investment Management Ltd is regulated in the conduct of investment business by IMRO, and is owned by Commercial Union Asset Management Limited and Quilter Goodison Company Limited, both of which are wholly owned subsidiaries of Commercial Union Assurance Company plc.

FINANCE & THE FAMILY

The Week Ahead

Reassurance from RTZ

RTZ Corporation, the world's biggest mining group, is expected to announce substantially increased profits when it reports its 1989 results on Thursday. Buoyed up by the inclusion of BP's mineral assets, which were bought by RTZ for £2.4m last year, net income may rise from £427m to around £500m.

RTZ's performance in the second half of 1989 was, however, hampered by the weak copper price and followers will be eagerly listening to what the company has to say about the prospects for 1990 and the current state of the metal markets. Analysts are expecting RTZ to face a much rougher time this year and will welcome any words of reassurance.

Guinness, the drinks group, is expected to show a generous measure of improvement in its pre-tax profit for 1989 when it reports on Thursday. A figure of £670m would represent growth of nearly 30 per cent. With only 20 per cent of the profit coming from the UK, a potent source of the increase is Japan – where the import tax on whisky was reduced last spring – and the rest of the Asia/Pacific region.

More than £100m is thought to have flowed in from Moët Hennessey-Louis Vuitton, the French luxury products group in which Guinness has a 24 per cent stake, and which in turn has a 12 per cent stake in Guinness.

Two strategies that are expected to have paid off are the replacement of old overseas distribution agreements with joint ventures or wholly owned enterprises and the up-market (and up-margin) movement of its Scotch brands.

Standard Chartered is producing its results on Budget Day – and it probably hopes that they will be drowned by whatever the Chancellor (a former employee) has to say. The £11-starred bank has already had to issue two profit warnings, one about the general impact of tough operating conditions and another about a specific \$80m loss to a bankrupt US disc drive manufacturer. So there is little scope for surprises.

The only good news is that Standard has sold several buildings which will provide a much-needed balancing profit. Analysts are forecasting a

sharp fall from last year's £118m before tax, possibly to as little as \$50m after special provisions for Third World debt are added in.

Analysts expect Smith & Nephew, the healthcare and consumer products group, to record pre-tax profits of about £145m, against 1988's £124.2m, when it announces results for the year to end-December next Thursday. At the half-year stage the company was talking about problems with obtaining approvals at its US generic pharmaceuticals operation and pharmaceutical supply in the medical gloves market. Added to service about National Health Service destocking, the market finds it hard to see where future growth in the company is going to come from.

Analysts are expecting RTZ to face a much rougher time this year

Rugby Group, the UK's third largest cement producer, should have made the most of the last good year before interest-rate-induced tough times with a pre-tax profit of around £28m, compared with last year's £72.8m.

Rugby's concentration on the heavy end of the market provides cushioning against the housing squeeze not only in cement but also in its fast growing steel reinforcement operation.

But this is not so true of the joint activities, which have run into difficulties on the US East Coast well before concern crept in about UK vulnerability. It will be interesting to hear of transatlantic action to cut costs.

Booker, the cash and carry, agribusiness and health food group, should crawl above \$90m (£78.7m) in pre-tax profits when it reports 1989 results on Monday. A full year of Linford, the cash and carry operator which Booker bought at the Corporation in July 1988, will help, although it is not clear

whether all benefits of integration have been achieved.

The global salmon glut, which causes even companies like Unilever (20 times size in profits terms) to squirm, may lead to losses of \$2m, a risk disproportionate to the contribution in good years.

Holland & Barrett, Booker's health products manufacturer and retailer, will show its best result for some time, as a result of shifting emphasis from food to higher margin lines. The jury is still out, however, on whether H&B can establish a niche unassailable by the idea-poaching larger multiples.

Meanwhile from Australia, the news should be pleasant about the first half-year contribution of Steptoe, which makes home improvement products, although again the outlook is less sunny.

Central Independent Television, the TV company which has recently been at the centre of much attention due to its investigative inquiries into the finances of the National Union of Mineworkers, is likely to report annual pre-tax profits around the £29m mark on Friday, which will represent an advance of under 10 per cent.

Central, which is the IBA contractor for the Midlands, will be keenly watched to see how it has coped with the tightening advertising market and how it is shaping up to compete in the changing television world of the 1990s. With gearing standing at above 100 per cent at a time of high UK interest rates, and with trade slowing both at home and in the US, it is hardly surprising that Cookson Group, the steel producer and chemicals company, is unpopular with the stock market at the moment. Analysts have been downgrading their forecasts of full-year pre-tax profits, due to be announced next Thursday. They are now hoping the company will make around £18m, against £17m last time. With the titanium dioxide joint venture with ICI, accounting for about half of profits, still strong there will be little cause for concern at the operating level, offset by a rise in net interest charges.

RESULTS DUE

Company	Announcement date	Last year	Final	This year
FINANCIAL SERVICES				
Acorn Computers Group	Monday	0.75	1.25	0.75
Apricot Computers	Monday	0.75	1.25	0.75
Ases AS	Tuesday	1.75	1.50	2.5
Balmain Metal Products	Thursday	1.75	1.50	2.5
BAT Industries	Wednesday	7.8	10.59	8.5
Bentley Systems	Thursday	1.4	1.58	1.58
Bentley Systems	Thursday	4.0	7.0	4.3
BNS Resources	Thursday	1.2	2.3	1.3
Bodley	Monday	6.0	12.0	6.5
Southwark Holdings	Wednesday	1.26	2.74	1.41
Britannic Assurance	Wednesday	5.8	11.0	6.5
British Motor Holdings	Wednesday	1.0	1.2	1.4
ESG International	Tuesday	0.08	2.34	0.7
Cambridge Electronic Industries	Tuesday	2.08	2.7	3.0
Candling W	Monday	1.5	2.8	2.8
Carbo	Monday	2.1	3.8	2.5
Central Independent TV	Friday	6.0	10.5	7.5
CIA Group	Monday	1.0	1.0	1.0
Clyde Petroleum	Thursday	0.5	0.5	0.5
Compass Group	Thursday	2.5	6.25	3.0
Cookson Group	Thursday	3.8	6.2	4.1
Crode International	Monday	3.0	7.0	3.8
Edinburgh Oil & Gas	Monday	1.0	1.0	1.0
Essex Helicopters Holdings	Monday	3.0	7.0	3.8
Ferrum Holdings	Tuesday	1.0	1.0	1.0
Friedland Oil & Gas	Monday	1.55	2.05	2.0
Fisher James & Sons	Monday	1.5	4.75	1.75
Garton Engineering	Thursday	2.5	2.75	2.75
Gest	Thursday	3.5	4.0	4.0
Guinness	Friday	2.0	4.0	2.0
Halls Homes & Gardens	Friday	4.15	7.5	6.15
Harwood International	Monday	2.5	2.5	2.5
IMI	Monday	3.15	6.0	3.8
Ingham George & Co.	Monday	1.0	1.0	1.0
Isle of Man Steam Packet Co.	Thursday	1.0	1.0	1.0
Johnson Group Cleaners	Wednesday	0.2	17.99	7.0
Johnson Press	Thursday	1.0	2.5	1.5
Kerry Group	Monday	0.01	1.51	0.67
Laird John	Thursday	3.0	8.0	3.0
Lapors	Wednesday	5.0	8.7	3.5
LASMO Oil Production Stock	Thursday	3.75	6.45	5.0
Law Debenture Corporation	Monday	1.5	3.25	1.8
Lawson-Greaves	Friday	0.25	1.0	0.25
Manders Holdings	Thursday	1.8	4.55	2.0
Matthews Bernard	Wednesday	1.0	1.8	1.0
McLaughlin & Harvey	Friday	0.8	0.8	0.8
Metalfax Group	Monday	0.8	2.5	0.95
Molins	Thursday	2.5	1.1	2.5
Morrison Supermarkets	Thursday	0.75	1.25	0.3
Mount Charlotte Investments	Thursday	0.4	1.41	0.48
Nestlé-BNA	Thursday	0.8	1.7	1.0
New Gateway Securities Trust	Monday	0.05	0.05	0.05
Pacific Assets Trust	Friday	0.05	0.05	0.05
Pennine Systems	Thursday	6.5	14.5	7.25
Perpetua Group	Thursday	1.44	2.85	1.73
River & Mars Amer Cap & Inc.	Thursday	1.4	1.8	1.5
RTZ Corporation	Thursday	4.25	10.75	5.0
Rugby Group	Monday	2.3	2.8	2.85
Scott & Robertson	Monday	1.2	3.8	3.0
Sharpe & Flahar	Wednesday	1.0	1.0	1.5
Sheffield Insulations Group	Monday	1.0	1.0	1.0
Shorro Group	Wednesday	2.0	2.5	2.0
Smith & Nephew	Thursday	1.55	2.25	1.75
Sterling Plac Corporation	Thursday	0.1	0.25	0.32
Standard Chartered	Wednesday	12.5	22.5	12.5
Steel Savill Jones Group	Thursday	2.7	7.3	3.0
Tibbitt & Britton Group	Monday	1.5	4.1	2.4
Trinity International Hedges	Friday	1.5	4.2	2.3
Trench Mines Malaysia Series	Friday	14.0	28.0	20.0
Tuller Oil	Monday	3.5	8.0	4.25
Turris Corporation	Thursday	5.0	10.25	5.0
Tynde Holdings	Monday	5.0	12.25	5.0
Tyne Tees Television	Monday	2.0	4.0	2.1
UK Paper	Monday	1.5	2.0	0.75
Wissell	Thursday	2.8	4.75	2.2
Wilson Bowden	Thursday	0.8	3.7	0.8
World of Leather	Wednesday	0.8	3.7	0.8

INTERIM DIVIDENDS

Company	Announcement date	Last year	Final	This year
Albe	Monday	1.5	2.85	-
Balmain Gifford Japan Trust	Friday	0.75	0.75	-
Benchmark Group	Thursday	2.5	4.0	-
Carid Group	Thursday	1.5	3.55	-
HTV Group	Tuesday	2.1	2.55	-
Manderline Group	Tuesday	0.5	1.75	-
Molynaux Estates	Friday	0.5	1.75	-
Parfida Group	Friday	1.55	6.55	-
Parsons Zochonis	Thursday	0.5	1.5	-
PPG Holdings Canyon Int'l	Thursday	0.5	1.5	-
Praxair Holdings	Thursday	1.4	2.8	-
Ranishaw	Wednesday	1.4	2.8	-
Savage Group	Thursday	1.5	2.0	-
Scholes Group	Monday	2.5	5.22	-

*Dividends are shown net of tax and are adjusted for any intervening scrip issues. † 2nd interim dividend. ‡ Swedish krona per share gross. § Danish kroner per share gross. ¶ Irish pence. †† Malaysian sen per share.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company	Value of bid per share	Market price	Price before bid	Value of bid	Bidder
ABB Kent (Hedge)	178.55	177	153	135.27	ABB Investments
AMM Healthcare	570	370	378	245.55	Co. Gen. Sec. East
Av Kidney Pals II	8	8	280	2	Whitbread Ltd
Camford Eng.	305	323	244	57.92	Marshall & Tait
Chemway Int'l	450	445	228	13.20	Sular
Colson Int'l Dev.	183.5	160	161	8.24	Plustone
ComLd Ind. Tel.	950	900	843	184.00	Transatlantic
GPIC	17	22	23	55.0	ISP
Hallfield Estates	220	229	225	17.32	Libby
Int. City Hedge	30	34	20.35	5.77	York Trust Gp.
Int. Rubber	52	50	50	5.77	Rowe Evans Inv.
Just Rubber	140	135	72	10.5	Scope Group
Lafarge Properties	850	657	564	390.80	Pull Mat Props.
Paragon Comm.	150	148	128	8.15	Shawcross
Realty Used Gp	253.5	228	218	77.4	Jorriksen (No.2)
Regentwood	15	14.2	12.2	6.8	Waterhampton
Rushmore (Water)	520.5	540	472	46.8	AB Arena
SAC Int'l	109	111	117	22.28	Ricardo Gp.
Salafra Int'l Inv.	75.255	65	69	11.81	ESB
Stability	252	279	249	54.73	Compass
Tavern Leisure	28	30	36	7.14	Midland Hds.
Western Motor	785	785	675	36.58	Yocac Kenney
Woodingh	51	51	42	6.58	Stridgen Group

*All cash offers. †Cash alternative. ‡Partial bid. §For capital not already held. ††Conditional. †††Based on 2.50m shares. ††††100/100/100 suspension. †††††50/50/50 cash and cash. ††††††100/100/100 of BKPAT.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Abbott Mead Vick	Dec	5,550	(4,840)	27.0 (22.5)
Alliance Trust	Dec	18,000	(15,000)	24.2 (21.3)
Allied Insurance	Dec	1,650	(1,190)	10.3 (7.65)
Assoc Brit Ports	Dec	57,200	(46,500)	44.0 (36.1)
Assoc-Henriques	Dec	3,270	(2,010)	6.45 (4.19)
Asco (BSP)	Dec	5,700	(6,200)	1.74 (3.24)
Bairings	Dec	65,900	(25,800)	-
BBA Group	Dec	84,200	(64,100)	20.2 (16.3)
Bredere Props.	Dec	7,050	(5,120)	21.7 (18.0)
Bridges	Dec	16,000	(13,500)	21.5 (17.3)
British Aerospace	Dec	353,000	(225,000)	26.0 (20.0)
British Vite	Dec	48,310	(37,450)	26.0 (20.0)
BTR	Dec	1,080	(820,000)	38.1 (28.7)
Bulfinch	Dec	175	(705)	0.03 (3.2)
Canal Group	Dec	23,700	(100)	0.5 (24.2)
Cambridge Water	Dec	1,050	(1,050)	-
Candover Invest	Dec	2,980	(2,129)	8.75 (5.7)
Cathie's Hds.	Dec	7,690	(7,540)	7.01 (7.57)
Charles Hds.	Dec	65,940	(42,480)	52.4 (31.3)
Church & Co.	Dec	4,020	(5,480)	24.9 (33.4)
Clarke Nicholas	Dec	4,500	(4,245)	15.2 (14.5)
Clarke I	Dec	3,830	(2,520)	24.8 (16.0)
Darwin & Metcalfe	Dec	2,250	(1,700)	23.3 (14.5)
Delta	Dec	90,100	(74,070)	37.0 (32.7)
Doellex	Dec	1,280	(1,280)	10.2 (8.4)
Dunsmuir	Dec	7,840	(5,180)	5.38 (24.9)
Essex	Dec	18,700	(15,100)	10.3 (7.35)
Essexport Oil	Dec	148,800	(67,500)	28.5 (22.3)
Fired Earth Ltd	Dec	971	(747)	12.1 (9.7)
Glynned Int'l	Dec	93,900	(62,500)	30.7 (28.8)
Hall Engineering	Dec	11,950	(10,200)	28.5 (23.0)
Haydon & Son	Dec	172	(272)	0.03 (0.64)
Hilldown Hds.	Dec	195,500	(150,900)	29.6 (25.3)
Hobsons Publish.	Dec	520	(1,849)	-
Jacobson	Dec	3,010	(905)	23.2 (20.9)</

FINANCE & THE FAMILY

Sara Webb on the ombudsmen who make sure that complaining can pay

The men who can shift mountains

MR X wanted copies of the monthly statements for his cricket club account dating back over the year. His bank charged £20 for 15 pieces of photo-copied paper. Mr X thought this was exorbitant and protested. Eventually, he threatened to take his complaint to the banking ombudsman - at which point the bank dropped the charges.

Complaining can pay off - at least, it did in this case - although the British may not like to think of it as a national characteristic. On the personal finance side, though, there are several ombudsmen and regulators who handle complaints about the services provided by the financial institutions.

The ombudsman is there if: You have had no satisfaction in trying to resolve your problem through the company's internal complaints system.

Normally, he will not deal with a case unless you have at least tried to reach a settlement with the company concerned. But it often seems that the mere suggestion of going to the ombudsman can shift mountains.

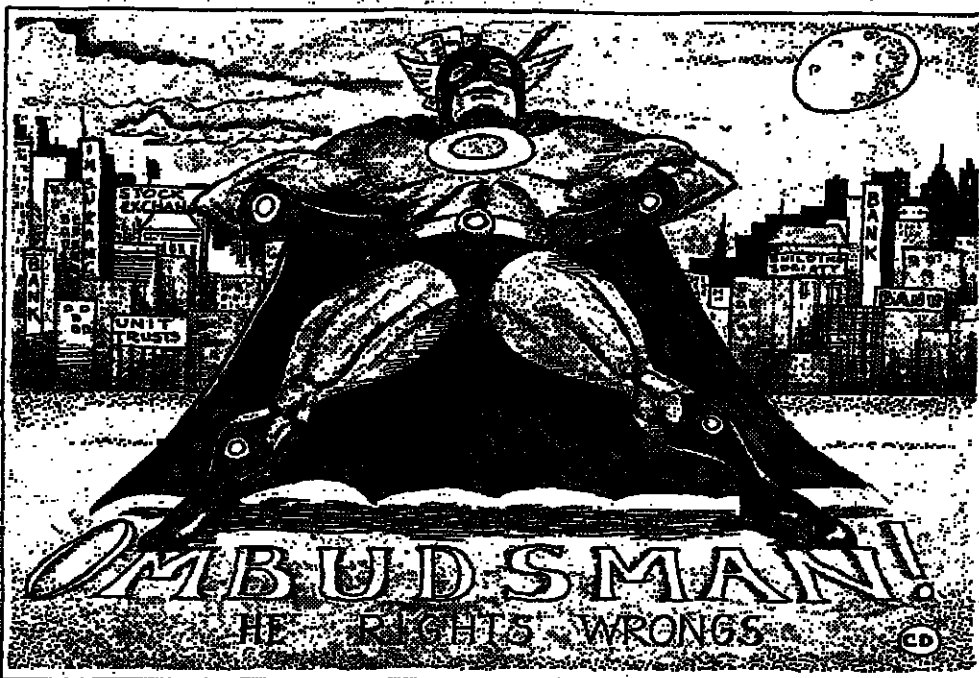
You are not pursuing the case in court already.

The firm is a member of the ombudsman scheme. This is voluntary for banks and insurance companies but all building societies must belong.

You are deterred from taking legal action yourself because of the costs.

Once the ombudsman decides to take up your case there is no charge for the service. In cases where the complaint is successful, the bank or building society is bound to pay the compensation recommended - which could be up to £100,000. If you lose, though, you do not have to worry about paying any costs.

Ombudsmen do not, however, like to waste their time on "trivial" cases, according to Stephen Edell, who oversees the building societies. By this, he means cases with no substantial chance of success because (a) an offer of full settlement has been made already or (b) an offer has been made and remains open. There are also the cases where, in the words of The Securities Association



(TSA): "We get a lot of cases of people complaining because their investments have gone down, not up."

Despite being able to give compensation up to £100,000, Edell says he has not awarded more than about £5,000. "People claim enormous sums but you can only compensate for loss, expenses, inconvenience or distress caused," he adds.

Here, then, is a guide to which ombudsmen deal with which complaints. On the banking or building society side, complaints about plastic cards, cash-card machines, unauthorised debits, charges on your account, loans, overdrafts, direct debits, cheque guarantees cards, credit or debit cards, opening and closing accounts and mortgages should be handled by either the banking or building society ombudsman.

The banking ombudsman is Laurence Shurman and his office is at Citadel House, 5-11 Peter Lane, London EC4A 3BB (tel. 01-583-1385). Edell, the building society ombudsman, is at 55-57 Grosvenor Gardens, London SW1X 7AW (01-831-0044).

For both of them, complaints

about cash-card machines top the list for these volumes, particularly "phantom" withdrawals where card-holders claim money has been taken from their account without their knowledge. But most are resolved in favour of the bank or building society.

"For an awful lot of cases, the explanation is that someone has borrowed the card," says Shurman, whose second most frequent source of complaints is bank charges.

Shurman's scheme provides cover for 99 per cent of British people using banks and efforts are being made to recruit the few non-member banks so that all complaints can be handled. But the scheme does not cover banking services in the Channel Islands, Isle of Man or abroad, and the banking ombudsman will not deal with complaints about commercial judgment: for example, if a bank won't lend you money. The matter must involve something that is alleged to be "causing injustice" to the complainant.

The scheme also excludes cases where the complaint relates to a banking service provided on special terms (say,

come mainly from people who lost money in the 1987 crash. "For pre-1987 investors, it was disastrous; to others, a hiccup which took out 10 months' growth," he adds.

A lot of people complained about being sold units before the crash and claimed "salesmen were a bit fulsome in their presentation," although most agreed they had seen the warnings that markets could go down as well as up.

Parsons says the ombudsman can help if he finds a product has been over-sold, or if the wrong product was sold - say, a growth instead of an income trust. "We try to get the company to agree to some sort of reconciliation. Remember if you buy a unit trust and then change your mind, you might not get back your original investment as the value of the unit could have gone down. If you have a complaint about a unit trust group which is not a member of the ombudsman scheme, you should take up the case with LAUTRO.

The Securities Association at the Stock Exchange, London EC3N 1EQ (01-256-5000) deals with complaints about members of the exchange. The bulk of these from private investors concern the considerable delays in receiving documents such as share certificates because of mismanagement in the broker's office. Other grounds for complaint are disagreement over the instructions given to a broker and administrative incompetence. The association cannot help investors who complain that their refund certificates are not returned promptly after a new issue - that is the fault of the registrar.

The arrangement is not the same as with the ombudsman: the TSA contacts the member firm if there has been a misunderstanding between the investor and the stockbroker, and tries to "reconcile their differences." If the investor is still not satisfied, he can use the consumer arbitration scheme but will have to pay a registration fee of £10. Thereafter, the costs are shared by the TSA and investors could be awarded up to £25,000 if the arbitrator finds in their favour.

If you have a complaint about any form of personal insurance - motor, personal accident, household contents, all risks, livestock - you should send it to the insurance ombudsman, Mr Julian Farrar, 31 Southton Avenue, London WC1B 5EH (01-242-9613).

Take a man in his 70s who wrote to complain about a salesman who persuaded him to switch his entire savings of £50,000 from a building society account into a unit-linked life policy. "The only one to benefit was the salesman, who received a tidy sum in commission," says the ombudsman. "The old gentleman lost a sizeable part of his savings in the October 1987 crash."

"The salesman was an employee of the company rather than an independent intermediary, so the company properly felt obliged to right the wrong once it realised what had happened; it restored the policy-holder's fortune, interest and all."

The ombudsman is not, however, prepared to right all alleged wrongs. With motor insurance, he says: "If a motorist sells his car to a stranger and hands over keys, logbook, MOT certificate and the car itself, in return for a cheque or banker's draft that turns out to be forged, he cannot make a claim under the theft section of his policy... The offence is clearly that when the car disappears forever, but it is hard to imagine a more obvious breach of the policy conditions requiring him to take reasonable steps to prevent loss; he does not just leave the keys in his car, he actually gives them to the thief."

Some companies do not belong to the insurance ombudsman scheme and complaints against them are handled by LAUTRO (the Life Assurance and Unit Trust Regulatory Organisation).

Where the ombudsman cannot help is if your complaint relates to how an insurer has worked out the bonuses, surrender values and return on life policies; if it relates to commercial business; or the dispute is between you and someone else's insurer.

Complaints about unit trusts should be addressed to the unit trust ombudsman, Adrian Parsons, whose office is part of the insurance ombudsman bureau. But many unit trust groups do not belong to the ombudsman scheme, so complaints about them are handled by IMRO (the Investment Management Regulatory Organisation) which has a referee to deal with disputes.

Parsons says complaints

Private Client, or just an account number?

At Greenwell Montagu Stockbrokers, private clients are the backbone of our business. We place real importance on the strength of our personal relationships. Links with some of our clients and their families go back several generations.

Just as times have changed for them, they have changed for us too. In today's markets we are determined to achieve every advantage that technology can bring, in the dealing room, in settlement operations and in portfolio management - but we are equally determined to be old-fashioned when it comes to client relationships. Knowing you as a private individual will help us to follow your best interests when we invest your money.

If you have over £100,000 for investment, please call Tim Wakeley or Robert Otley in London on 01-588 8817 for an informal discussion, or send the form for further information about our services.

Our sister company, Smith Keen Cutler in Birmingham, and our offices in Lymington and Hereford also offer full stockbroking services.

To the Client Services Director, Greenwell Montagu Stockbrokers, London Office.

Name.....

Address.....

GREENWELL MONTAGU

STOCKBROKERS

114 Old Broad Street, London EC2P 2HY

Birmingham Office (Smith Keen Cutler): Exchange Buildings, Stephenson Place, Birmingham B2 4NN. Tel. 021 643 9977

Lymington Office: 98 High Street, Lymington, Hants SO41 9AP. Tel. 0590 674288

Hereford Office: 35 Bridge Street, Hereford HR4 9DG. Tel. 0432 264646

A Member of The Securities Association and The International Stock Exchange

THE NORDIC FINANCIAL & INVESTMENT CENTRES

The Financial Times proposes to publish this survey on:

25 APRIL 1990

(Moved from 19 March)

For a full editorial synopsis and advertisement details, please contact:

Chris Shannahan & Gillian King

on 01-573 3428/4823

or write to them at:

Number One

Southwark Bridge

London

SE1 9HL

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

	Quoted rate %	Compounded return for investors at 25% %	Frequency of payment	Tax (see notes)	Amount invested "£"	Withdrawal (days)
CLEARING BANK						
Deposit account	5.00	5.10	4.08	monthly	1	0-7
High interest cheque	8.20	8.30	7.88	monthly	1	5,000-9,999
High interest cheque	9.20	9.30	7.84	monthly	1	10,000-24,999
High interest cheque	9.80	10.0	8.00	monthly	1	25,000-49,999
High interest cheque	10.20	10.70	8.56	monthly	1	50,000
BUILDING SOCIETY						
Ordinary share	7.00	7.12	5.70	half yearly	1	1-250,000
High interest account	9.00	9.00	7.20	yearly	1	500
High interest account	9.75	9.75	7.80	yearly	1	2,000
High interest account	10.25	10.25	8.20	yearly	1	5,000
High interest account	10.50	10.50	8.40	yearly	1	10,000
90-day	10.25	10.51	8.41	half yearly	1	500-9,999
90-day	11.00	11.30	9.05	half yearly	1	10,000-24,999
90-day	11.50	11.83	9.46	half yearly	1	25,000
NATIONAL SAVINGS						
Investment account	11.75	8.81	7.05	yearly	2	5-25,000
Income bonds	12.50	9.28	7.84	monthly	2	2,000-25,000
Capital bonds	12.00	9.20	7.20	yearly	2	100 mth
54th issue	7.50	7.50	7.50	not applic	3	25-1,000
Yearly plan	7.50	7.50	7.50	not applic	3	20-200/month
General extension	5.01	5.01	5.01	not applic	3	-
MONEY MARKET ACCOUNT						
Schroder Wegg	10.78	11.31	9.05	monthly	1	2,500
Provincial Bank	11.05	11.59	9.27	monthly	1	1,000
UK GOVERNMENT STOCKS						
3pc Treasury 1991	14.17	12.03	10.75	half yearly	4	-
3pc Treasury 1992	13.98	11.83	10.54	half yearly	4	-
10.25pc Exchequer 1995	12.83	10.09	8.46	half yearly	4	-
8.5pc Treasury 1994	13.19	10.66	9.46	half yearly	4	-
3pc Treasury 1992	11.94	11.59	10.56	half yearly	4	-
Index-linked 3pc 1992/95	12.23	10.26	9.85	half yearly	2/4	-

*Lloyds Bank/HSBC 90-day; immediate access for balances over £5,000.8 Special facility for extra £10,000. Sources: Phillips and Drew. 50Assures 5.5 per cent inflation rate. 1 Paid after deduction of composite rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

Airways Homes III

ASSURED TENANCIES
PLC

AN OPPORTUNITY TO INVEST IN
AIRWAYS HOMES GATWICK

Airways Homes Assured Tenancies plc
and Airways Homes II Assured Tenancies
PLC were both over subscribed.

Airways Homes III, a new company, is seeking to raise £5 million to buy, construct and develop good quality homes for rent with easy access to Gatwick Airport.

British Airways Plc has agreed to subscribe for 50,000 shares.

For a Prospectus call 0896 345950

(25p per minute cheap rate, 30p per minute at all other times)
or post the coupon below

To: Airways Homes III Assured Tenancies PLC, Enterprise House,
Ashford Road, Ashford, Middlesex, TW15 1XK.

Please send me a Prospectus:

Name.....

Address.....

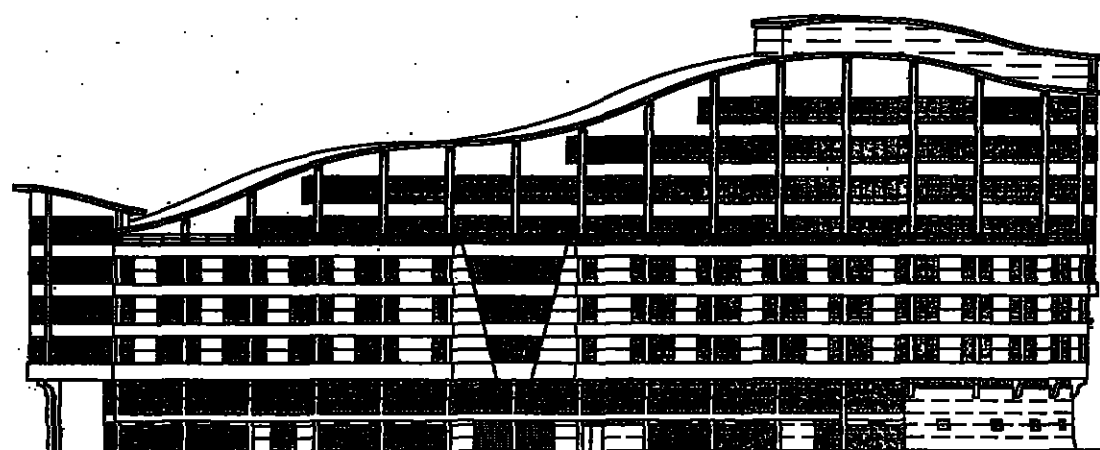
Full Postcode.....

This Offer is made under the terms of the Business Expansion Scheme. Under current legislation, investors should therefore obtain Income Tax Relief (effectively a discount of 25 or 40% off the price of shares depending on the circumstances of the investor) and Capital Gains Tax Exemption provided Shares are held for five years.

FT Subscriptions will be accepted only on the terms and conditions in the Prospectus, and on the application form therein. Shares in the Company are not traded on any recognised exchange and it may therefore be difficult for the investor to sell them. Investment in unquoted companies carries a higher degree of risk than in quoted companies. Potential investors are advised to seek independent advice from their financial adviser. This advertisement has been approved by a firm authorised under the Financial Services Act 1986.

*The Company will be subject to Corporation Tax on its chargeable gains.

Exchange a tax liability for an asset.



THE TRIANGLE

ISLE OF DOGS ENTERPRISE ZONE
LONDON DOCKLANDS

GRANT
01-538 4321

St Quintin
01-599 8626

A DEVELOPMENT FUNDED BY MANUFACTURERS HANOVER TRUST

CONSTRUCTED BY ALFRED McALPINE

999 YEAR LEASEHOLD INTERESTS

INITIAL POST TAX YIELD OF 14.5%
UNTIL PRACTICAL COMPLETION

THE MOST COMPETITIVE ENTERPRISE ZONE
PACKAGE AVAILABLE TODAY

VAT REGISTRATION AND QUARTERLY RETURN SERVICE
VIA STJOY HAYWARD AT NO COST TO THE INVESTOR

SELF FUNDING LOAN FACILITIES
(written details upon request)

For a comprehensive investment and development overview pack



FREEPHONE NIL TAX

Islington House, 313 Upper Street, Islington, London N1 2XQ

CUNTON
SCOTT

FINANCE & THE FAMILY

REDUCE YOUR TAX LIABILITY

Invest in a company qualifying for BES Tax Relief



Altracraig Shipping plc is an established BES company owning and operating a fleet of six dry bulk vessels now trading in the North Sea, Mediterranean and Atlantic. All are time-chartered to shipping pools operated by Jebsens, the international shipping group, at rates which reflect earnings generated by all the vessels in the relevant pools.

Minimum individual subscription is for 500 shares at a cost of £1,125 (£2.25 per share).

The subscription lists opened on 6th March, 1990 and will close on 5th April, 1990 in respect of shares to be issued by 5th April. In respect of shares to be issued after 5th April the list will close on 30th April, 1990.

Applications to subscribe will be accepted only on the terms and conditions contained in the prospectus. To obtain a copy of the prospectus, please fill in the coupon below and return it to the address shown.

The contents of this advertisement, which has been prepared by and is the sole responsibility of the directors of Altracraig Shipping plc, have been approved for the purposes of Section 57 of the Financial Services Act 1986 by KPMG Peat Marwick McLintock which is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

It should be noted that investment in unquoted companies carries higher risks than in quoted companies and intending investors should therefore consult their own professional advisers.

For A. R. Bell, Chairman, Altracraig Shipping plc, FREEPOST, 9 Clarendon Gardens, Glasgow G3 7BR. Tel: 041-332 8651.

Please send me ☐ a copy of the prospectus relating to the Offer for Subscription by Altracraig Shipping plc.

From (Block letters)
Address

Postcode Tel:

Heather Farmbrough on the latest BES issues

What will Mr Major do this time?

CHANCELLORS have made alterations to the Business Expansion Scheme (BES) in every year but one since it was set up. One would be tempted to say there is not much left for John Major to do in this Budget.

An area which he could tackle concerns BES issues which are set up as a series of companies, usually with identical management and each raising £500,000. They were devised to circumvent the rule that most BES schemes, apart from assured tenancies and shipping, may only raise £500,000 a year.

Schemes which fall in this category include Johnson Fry's latest Coaching Inns issue, Broad Oak Pharmacies and Littleworld Nursery Schools. If you intend investing in these or similar issues, perhaps you should do so on Monday in case a change is made in the Budget.

Major must be well aware that the BES industry would welcome an increase in the £500,000 limit. It was imposed two years ago because it was felt that companies raising more than this had access to capital outside the BES and thus did not need tax relief to attract investors. So it seems inconsistent to allow companies to evade the limit simply by issuing a series of prospectuses.

John Dodwell at Chancery warns that the capital gains tax exemption may be lifted for assured tenancy companies, leaving shareholders eligible only for income tax relief. He believes the Treasury may argue that if investors pump for something "as safe as houses, they might not need capital gains tax relief as well." Such a change would be a serious blow to the industry. But previous Chancellors have dealt with schemes which are "too safe" using measures such as restrictions on the proportion of the company's capital which could be held in fixed assets. The decision to impose the £500,000 limit was the ultimate treatment for over-safe issues.

As usual, there has been a pre-Budget rush into new issues. About £70m had been raised so far this year, includ-

ing the carry back period up to October 6. But Anthony Yaggaroff at Best Bes Advice thinks the total amount of money raised may well reach £150m by the end of the financial year, the same as in the 1988/7 tax year. Other observers are more bullish and expect a total of £200m.

Earlier this week, the only issue to be fully subscribed was Airways Homes II, although Johnson Fry's Waterside Collection, First Standstead, Assured Close Care Centres, Fourth Roman Properties, Artesian Estates and Kerrington were close to full. There is no shortage of schemes on offer, but investors might find one of the following interesting.

SS Great Britain Banquets is at least different from most of

BES investment may look attractive but you should be aware of the risks

today's issues - partly because the chief asset was built between 1838 and 1843 from a design by Brunel and Paine. The Great Britain is currently in dock in Bristol, where she was built, and the company intends to keep her there, refurbish her dining saloon and then open it for banquets and other entertainments. The directors think the saloon should make a profit consistently from 1993, after estimated renovation costs of £270,000. The minimum subscription is £1,000 and the closing date is April 6. The issue is sponsored by Dartington (tel: 0372-213206).

The Shire Professional Property Portfolio is a national assured tenancy issue. It boasts several gimmicks to attract investors such as value guarantees and a spread of funds. None is unique, but at least it cuts down the risk. The funds have three closing dates (pre- and post-Budget on March 19 and April 5 this year, and one for April 30 next year) allowing married couples an

investment of £40,000 each for the 1990/91 tax year.

Surely there are few investors confident enough about their investment requirements and financial status one year hence (let alone about the state of the property market) to fork out £20,000 as a couple now. I certainly would not.

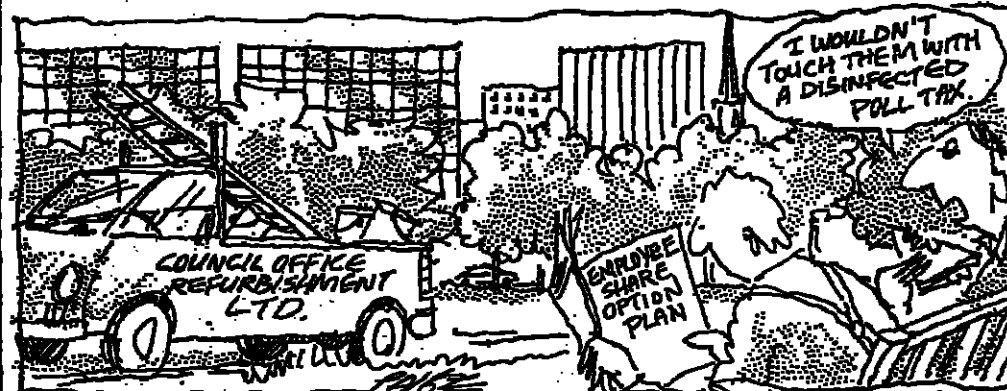
The main attraction of the fund is that issue costs are below average at 6 per cent. The properties will be built by Countryside and Lovell, two reputable firms, and will be managed by Keith Cardell Groves, an established firm of surveyors and estate agents. The four trustees (each fund will have two of them) have plenty of experience in residential property. It is a solid, well thought out prospectus and one of the better ones this year (tel: 01-256-8711).

There has always been an interest in farming but lacked the means and the acreage. Rural Assets Holdings might appeal. The company was set up two years ago to acquire and manage a portfolio of farms throughout the UK, and to manage the development of some country estates. The company is quite happy for shareholders to visit, and the directors include plenty of city names and experienced farmers. Prospectuses are available from Rural Assets Management (tel: 01-577-8888).

Finally a word of caution. The Lockton Shops issue a couple of years ago, which proved highly popular and was exempt from capital gains tax. Unfortunately, the response has been that the conditions are too restrictive and the tax relief too meagre - not one company has yet taken advantage of the Government's offer.

Complaints about the restrictive qualifying rules have focused on two particular aspects. The requirement that a majority of the trustees must be employees elected by their fellow workers has deterred conservative employers. More fundamentally, the statutory rules compel an ESOP to distribute its shares through a Revenue-approved profit sharing scheme, a rigidly egalitarian structure which

BES investment may look dull, or as safe as houses at times, but occasionally one is struck by the quality of the issues. The Shire Professional Property Portfolio is a national assured tenancy issue. It boasts several gimmicks to attract investors such as value guarantees and a spread of funds. None is unique, but at least it cuts down the risk. The funds have three closing dates (pre- and post-Budget on March 19 and April 5 this year, and one for April 30 next year) allowing married couples an



Time for fair shares

ONE OF the safest Budget predictions is that the Chancellor will boost tax incentives for Employee Share Ownership Plans (ESOPs).

Last year's ESOP legislation was not well received by the business community and unless the Chancellor makes the package considerably more attractive, the Government's drive for wider employee share ownership could run out of steam.

ESOPs, or employee trusts, acquire shares in a company and distribute them to the company's workforce. The trust's purchases are funded by loans or grants from the company itself, or by external borrowings which may be guaranteed by the company.

The ESOP concept originated in the US where generous tax "breaks" have been the driving force behind a conspicuously successful expansion in employee ownership. Hopes of a similar breakthrough in this country after Nigel Lawson's last Budget speech were dashed by the fine print of the Finance Bill.

The Government's idea was that ESOPs which satisfied certain statutory conditions could enjoy a reduced rate of tax on their investments. Unfortunately, the response has been that the conditions are too restrictive and the tax relief too meagre - not one company has yet taken advantage of the Government's offer.

Complaints about the restrictive qualifying rules have focused on two particular aspects. The requirement that a majority of the trustees must be employees elected by their fellow workers has deterred conservative employers.

More fundamentally, the statutory rules compel an ESOP to distribute its shares through a Revenue-approved profit sharing scheme, a rigidly egalitarian structure which

was introduced in 1978 but has never really caught on.

The Chancellor could start his rehabilitation of ESOPs by allowing a link-up with company-wide SAYE option schemes or - less likely - executive option schemes.

But however the tinkering with the qualifying conditions, his efforts will be doomed to failure unless he also steps up the tax breaks. The only inducement to follow the Government's rules is that payments by the employing company to the ESOP will be tax-deductible. Even this concession is of dubious value. Court cases have established that payments to an employee share trust should be deductible as a matter of general tax law. So the Government is merely converting a probability of tax relief into a certainty.

What avenues are open to Major if he does wish to give a major stimulus to ESOPs? The best blueprint is provided by the US tax system. Among the main reliefs enjoyed by American ESOPs which could be replicated in the UK are:

- Shareholders selling to a US ESOP can defer any capital gains tax liability so long as the shares are sold to a major shareholder. At the moment, this "roll-over" opportunity is only available in the UK on a paper-for-paper exchange as part of a takeover. The extension of this facility to ESOPs might well encourage major shareholders to view an ESOP sale as a tax-effective alternative to being bought out by an outside bidder.

- ESOPs in the US are sheltered from income tax on dividends and capital gains tax on share sales. There is no equivalent protection in this country and the vulnerability to a capital gains tax charge on share distributions by an ESOP to the employee beneficiaries is yet another off-putting feature

of the 1989 legislation. ■ US companies can not only deduct all payments to ESOPs from their taxable profits but can also deduct dividends paid out to ESOPs.

■ Lenders to US ESOPs are exempt from tax on 50 per cent of interest payments. In practice this has meant that ESOPs in the US have been able to borrow at discounted interest rates but Major is unlikely to be attracted politically to a measure which would favour the banks.

We will soon know which, if any, of these fiscal incentives will be crossing the Atlantic. Most surprising of all would be if the Chancellor did nothing. The Government has already expressed itself as fully committed to the growth of ESOPs, and, whatever Major says or does not say, one tangible expression of that commitment will take effect the week after the Budget.

The main non-tax obstacle to ESOPs has been the Companies Act which prohibits narrowly drafted and ruled out many of the conventional corporate funding techniques.

The 1989 Companies Act has now cleared away this blockage by introducing a much wider exemption. This new law takes effect on April 1 and is an important landmark in the development of ESOPs. But it only really makes sense as part of a co-ordinated strategy in which tax is by far the most important element.

Over to you, Mr Chancellor.

David Cohen

David Cohen is a partner in the City law firm of Palmer & Co.

FOR JUDGEMENT NOT JARGON, INVEST IN THE CHRONICLE.

The first thing you'll notice about the Chronicle is what a good read it is. Clear reporting, well ordered and not a word of jargon to trip over.

As for judgement, you'll find our advice informed and objective because the Chronicle is written by experienced journalists not salesmen.

Invest in the Chronicle

INVESTOR CHRONICLE

EVERY FRIDAY
FALLS A SHOCK BUDGET FROM THE

WHATEVER changes may, or may not, be made to Personal Equity Plans (PEPs) in the Budget, you are still likely to be restricted to taking out only one plan each (fiscal) year. So the time is approaching rapidly to make up your mind about taking out a 1989/90 Pep, if you haven't already done so.

The deadline is closer than you may think. Because of the restrictions on taking out more than one plan each (fiscal) year, many unit trust groups are fixing March 28, or even the 26th, as the last date on which they will accept applications.

As the end of the fiscal year approaches, several companies are making the last offers to entice investors either with special deals (Save & Prosper, for example, is offering Marks & Spencer vouchers), discounts or new schemes.

Several groups are also offering a last chance to buy up to £2,400 into international investment or unit trusts. After April 5, assuming the Chancellor doesn't change the rules, it will only be possible to invest a maximum of £750 in an international fund.

Anything above that will be subject to a regulation that the fund must have at least 75 per cent of its underlying holdings in qualifying UK shares.

Guinness Mahon, for example, is offering a range of four overseas unit trusts, each with a 1 per cent discount. Minimum investment is only £250.

Meanwhile, its sister group company, Guinness Flight, has introduced a managed Pep scheme, where it chooses the most suitable investment trust.

Investment trust Peps probably offer some of the best deals because of their lower charges compared with unit trusts and their greater flexibility for gearing up. GF will stop around for the best time, but you are confined to trusts with 75 per cent of their holdings in UK shares and pay extra charges.

There is a 4 per cent front end charge, a 1 per cent annual management fee plus 1 per cent dealing cost. There are in addition to the trust's internal management costs, so there is an element of double charging.

Peps: the time is running out

At this stage there seems little to gain from allowing GF to choose an investment trust on your behalf when you have the opportunity to select your own trust from the many on offer, including international funds, at a lower cost.

However, choosing a Pep simply because of the impending deadline is not a particu-

larly good policy. You should first decide whether or not you really want to invest in shares. In some self-select Peps you can initially select your money in cash, but this means paying composite rate interest just like a bank or building society deposit.

The second step is to decide whether you want your money

to be controlled by a plan manager, either by going into an investment or unit trust or a managed portfolio of shares, or whether you want to make your own selection.

Self select Peps can be an expensive way of buying shares, so it is best to check on dealing charges carefully, and possibly pump for only one or two stocks - either a "core" holding balanced by other shares in a portfolio outside the Pep, or in "high flying" stock that might bring you a large capital gain.

John Edwards

ONE WEEK TO INVEST TAX-FREE

You have only until 27th March to invest this tax year's allowance in a Personal Equity Plan with no income tax or capital gains tax to pay on your investment.

And, with Save & Prosper, you can invest up to the full £4,800 (£9,600 for a couple) tax-free. You can select a Unit Trust, your own choice of shares or a Managed Portfolio of leading British shares - the top performing managed portfolio of 1989.

So post the coupon now, or ring our free Moneyline.

FREE MONEYLINE 0800 282 101
9.30 a.m. - 5.30 p.m. 7 DAYS A WEEK

The Save & Prosper Group Limited, FREEPOST Romford RM1 1BR.

Please send me details of Save & Prosper PEPs.

Mr/Ms/Ms
Address
Postcode

THE VALUE OF INVESTMENTS AND THE INCOME FROM THEM MAY FALL AS WELL AS RISE AND PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE SUCCESS. TAX CONCESSIONS MAY BE SUBJECT TO STATUTORY CHANGE.

SAVE & PROSPER
THE INVESTMENT HOUSE
Save & Prosper Group Ltd, a member of Lloyds and London

WHICH BES IS BEST?

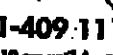
For an independent judgement on which BES is best for you, ring John Styles at BES24 Investment.



01-250 2087

BEST BES ADVICE

on which of the 90 issues to choose. For independent BES research, and company ratings, call Allendale Group PLC.



01-409 1111

Available 10 am until 4 pm weekdays.

PRIVATE INVESTORS

As the boundaries between the Banks, Building Societies and Stockbrokers become ever more blurred you need to find a long established firm of Professional Stockbrokers, where the courtesy and service is in the "Old City" tradition but where the dealing and accounting systems make use of the latest electronic equipment and where there are no fees other than a fixed scale of dealing charges.

For further information please write or telephone:

Dougal Fox Limited
114 London Road
Hollybourn
Alton
Hants GU34 4EW
Tel: 0420 86604

FINANCE & THE FAMILY

Under the mattress: David Lascelles on savings in the USSR
The Soviets' spare cash

IF YOU lived in Russia, where would you put your savings? More to the point, would you have any savings?

The answer to the second question is probably yes. The Soviet economy may be in a mess, but the shortages mean that people have very little to spend their money on. So it piles up in huge amounts of spare cash.

Most people put it in the state savings bank (Sberbank), which, at the latest count, had total deposits of 345bn roubles - equivalent to over 1,000 roubles per head of population.

It's hard to say how much that is in western terms. Officially the rouble is worth £1, but at the tourist rate it is worth only 10p, and on the black market even less. One rouble is that 1000 roubles is equivalent to four months wages for the average worker.

Sberbank pays an interest rate of 2 to 5 per cent, depending on the type of deposit, which compares to an official inflation rate of 2.5 per cent, but an unofficial one several times that figure. The only other means of earning interest is by buying state bonds which pay 5 to 8 per cent.

But much of this is meaningless for ordinary Russians, partly because interest rates are artificial and bear no relation to other costs, partly because there is little point in earning interest if there is nothing to spend it on.

So Russians like to invest in goods which either have an



intrinsic or a scarcity value, and gold in particular. There was tremendous speculation in gold last year, and the government was forced to jack up the official price of bullion and gold jewellery by 50 per cent. But - an interesting reflection on Russian consumer psychology - that only made speculation worse because people thought: if the government can do that once, it can do it again.

If you go to the Leningrad flea market in northern Russia, you will see the other things that people invest in: antique samovars, pre-war cameras, paintings, icons. Some items are extremely expensive, costing many hundreds of roubles.

Electronic western gadgetry is also much sought after: videos, computers, TVs. The easiest way for a Russian

wheeler-dealer to make a fortune is by scraping together enough money to travel to the West, and buying a couple of ordinary personal computers for, say, £1000 each. In Russia, he can sell them for as much as 50,000 roubles each, and finance another trip westwards.

The need to have money handy just in case something turns up is why Soviets keep a lot of cash under the mattress. This is particularly true in the Central Asian republics where many people traditionally like to 'invest' in large denomination rouble notes.

The banking system is also very primitive. There are no cheque books, virtually no credit cards, and only four automatic cash machines in the entire country.

Sberbank has begun to modernise its services, but it's an

immense task which will take decades, even with the help of western banks, like Barclays, which are helping by training Russian staff.

The problem of too much money chasing too few goods is now so acute that the Kremlin has devised a new form of state bond which it hopes will be more attractive. It pays no interest, but it entitles the holder to get a 'deficit' good like a car or a video when it matures. The bonds are going on sale soon, and it will be interesting to see whether people have sufficient faith in the government's ability to deliver to want to buy them.

Eventually, the government wants to create a stock market. Already a law is being prepared to enable state enterprises to be transformed into joint stock companies which can sell shares. The idea is to make investment much more efficient, and whittle down some of that huge savings overhang.

Intourist and Aeroflot have been mentioned as possible candidates for privatisation.

Pravda, the Communist Party newspaper, does not run a personal finance column in its Saturday editions. Yet, if Mr Gorbachev's reforms achieve all he wants them to, it's a new service the editor will have to consider.

The headlines could be quite startling: 'Time to buy into Siberian growth funds' and 'Sverdlovsk Tyre Plant profits soar at the half-way stage'.

Tax bill on sale of building plot

I HAVE owned and lived in my house for 30 years. It is my principal and only home. I am likely to have the opportunity of selling part of the garden as a building plot, and shall have incurred substantial expenditure for this purpose on such things as restrictive covenants, release, sewer diversion and planning applications.

Is the expenditure by itself bound to attract capital gains tax on the proceeds of the sale? If so, would I avoid the tax if I sold the house and garden together to the same person?

You face a CGT liability whether or not the plot is sold separately, according to Section 103 (3) of the Capital Gains Tax Act 1979.

It would be prudent to obtain a valuation of the property as at March 31 1982 (although the Disposal Valuation will not be current upon that valuation until after the sale has taken place); the cost of that valuation will be allowable in calculating the prospective chargeable gain. You might also like to obtain a valuation as at April 6 1985.

Before seeking valuations, however, and if you do indeed sell only the plot of land and retain the house and the remainder of the garden, you should decide if you wish to adopt the extraordinary concession set out in statement of practice D1 (Part Disposals of Land).

If you hope to keep the prospective CGT bill to a minimum, it is essential that you continue to use the plot in question as an integral part of your garden until after the sale contract has been made. The plot must not be marked off from the remainder of your garden in any way until after the sale contract.

Tax must be paid

I HOLD an academic appointment in medicine and am not entitled to any earnings from private practice. However, I do legitimately receive honoraria and fees for lectures, writing books and the like, which I choose to put into a separate account which is used to subsidise the activities of the laboratory - for example, as travel expenses to scientific meetings, or purchases of journals.

Since this account is used only for academic purposes, must I pay income tax? I have considered applying for charitable status but since the balance of the account is modest (about £5,000) I have been advised that this course would not be worthwhile.

What you choose to do with your own income does not affect its taxability.

It might be possible, in

Q&A BRIEFCASE

No legal responsibility can be accepted for the Financial Times by any person in these columns. All inquiries will be answered by post as soon as possible.

future, to waive any entitlement to honoraria and it might be that the body in question would decide to make a suitable donation to a charity suggested by you. Any such procedure must be followed with great care, however. You should seek professional guidance.

Redundancy protection

I WORK as the accountant to a private company in a trade where take-overs by groups are increasing. I have 10 years before retirement. Would a service contract strengthen my position should a buyer of the company want to make me redundant - possibly, by forcing the buyer to increase my severance payment?

I am aware that senior managers and directors of companies can have service contracts, but I am uncertain of their value in law. What clauses should they contain? We think that you would be wise to press for a service contract. This should specify both your remuneration and the period of the contract. You might - as a quid pro quo for the security it gives - have to agree to a moderately formulated clause barring you from competition after the expiry of the contract.

Cause for concern

THE FENCE at the bottom of my garden is in a poor position for 18 years and conforms to my needs. My new neighbour who owns the fence now wishes to make a small correction based on his deeds, which are older than mine. This would be a serious inconvenience to me. During all this period, my land has been cultivated without dissent. Am I protected under the 12-year status of limitation? It seems likely that you will have acquired a title by adverse possession for over 12 years to any land on your side of the fence that might not have been part of your title when you purchased. However, it is essential that the land in question has, in fact, been cultivated by you.

Rental problems

MY HUSBAND changed his job recently and as his new post is in Surrey we put our house in Essex on the market. Unfortunately we have not managed to sell it due to present market conditions. His company has agreed to take over the house at £200 per month. If we were to accept it we would consider renting our home at £400 per month. What effect would this have on the following:

a) Would we have to pay tax on the full income generated from the rental of the house?
b) Is it necessary to notify the building society with which we have a £22,000 mortgage, and does this effect the tax relief we receive on the mortgage?

c) As we are considering renting out our property, part furnished would we need a special insurance policy for both building and contents?

d) We understand that if we do not live in our property for two years, on the sale of the property we would be liable to pay Capital Gains Tax. Is this correct?

e) Yes. A free explanatory booklet on the taxation of income from real property (IR37 (1984)) is obtainable from tax inspectors' offices.
f) The answer to both questions is yes. With regard to the second question, the interest would only be allowable against the taxable profit from the letting. The free pamphlet on Miras - IR35 (1988) - may be helpful.

g) Yes: your current building and contents policy would need amending and the premium would be increased.
h) No, not necessarily. The solicitor who acts for you in the letting will be able to guide you through the income tax and capital gains tax maze.

THE FIDELITY PEP
No other PEP offers Tax-Free growth like this.

Don't delay 1% DISCOUNT ON YOUR £4,800 INVESTMENT. SPECIAL LIMITED OFFER - INVEST BEFORE MARCH 28th DEADLINE.

Past performance is no guarantee of future returns. The value of a PEP may go down as well as up, therefore the investor may not get back the amount originally invested. Tax assumptions are subject to statutory change and the value of tax relief will depend on the circumstances of the investor.

Fidelity Nominees Limited, Member of DMO.

Fidelity Special Situations Trust was named Unit Trust of the Decade by Micropal, a leading statistical authority. Put quite simply, over the 1980s it outperformed every other unit trust.

Now, through the Fidelity Personal Equity Plan, you can invest in this Trust - and not pay a penny in tax on future capital gains, no matter how great they may be.

That's the growth potential of the Unit Trust of the Decade - tax-free.

Just consider, with the tax benefits of a PEP included, £2,400 invested in each of the last 10 years would in fact be worth £131,393 today.

What's more, if you invest up to the full £4,800 limit, the equity portion of your PEP will also be invested by the same manager who guided Fidelity Special Situations Trust to its No.1 position.

Fidelity - leading the way in PEPs.

You can have confidence when you invest in a Fidelity PEP. The first unit trust group to offer a PEP, we have led the way with a simple, easy to understand Plan, a sensible and flexible choice of options, low charges and fast, efficient service.

Remember, you can only take out one PEP each tax year. If you're considering investing in a PEP, there's only one clear choice. The Fidelity PEP - with all the performance potential of the Unit Trust of the Decade.

To receive your Fidelity PEP information pack, talk to your Independent Financial Adviser or Callfree Fidelity on 0800 414161 or clip the coupon below.

Source: *Micropal 1.1.80 to 1.1.90, offer to bid with net income reinvested. Over 5 years the Trust ranked No. 2. **£2,400 invested on 1st January each year from 1980 to 1989 with performance figures for the period 1.1.80 to 1.1.90 offer to bid, gross income reinvested. The same amount invested in each of the last 5 years would have returned £26,528.

Call your Independent Financial Adviser or Callfree Fidelity 0800 414161

To Fidelity Nominees Limited, PO Box 88, Tonbridge, Kent TN11 9DZ.

Please send me details of the Fidelity PEP.

How much are you thinking of investing? £

Full Name Mr/Ms/Miss (Block letters please)

Address

Postcode

Tel No. (So that we can call you to answer any questions you may have)

Ref Code FTS

Fidelity MAKING MONEY MAKE MONEY

Tax free* investment



Perpetual Personal Equity Plans

Lowest Charges

'BEST' PEP Investor 1990, the recent comprehensive analysis of Personal Equity Plans available in '89/90, found the Perpetual 1989/90 Personal Equity Plan to have among the lowest charges of all PEPs.

Top Performance

The Perpetual PEP Growth and Income Fund, a new unit trust designed specifically for PEP investors, is the second best performing fund in the UK General sector since its launch on 30th Sept '89 to 26th Feb '90. Source: Micropal.

Perpetual '89/90 PEPs

Invest from as little as £500 (or £20 monthly) up to the maximum allowed under 1989/90 PEP rules - £4,800 for shares, or a combination of shares and unit trusts (with a maximum of £2,400 in unit trusts).

Last Chance - Investors intending to take up an '89/90 PEP will need to apply before 27th March '90. If a PEP is not taken up during the current financial year, the opportunity will be lost forever.

Overseas Investments - After the current year, PEP investors will be unable to invest in unit trusts with more than 25% of their portfolio invested overseas. Up until 5th April '90, however, Perpetual Personal Equity Planholders may invest in the Perpetual International Growth Fund - the UK's top international unit trust for capital growth since its launch on 11th Sept '74 to 26th Feb '90, and the top performing unit trust of all UK authorised unit trusts over the same period. Source: Micropal.

by OBSERVER 1989 UNIT TRUST MANAGERS OF THE YEAR

by THE SUNDAY TIMES 1989 INTERNATIONAL MANAGERS OF THE YEAR

Perpetual '90/91 PEPs

The new Perpetual Equity Plan for the financial year beginning 6th April '90 will be available from that date and full details, to include any changes that may be announced by the Chancellor in his Budget speech on 20th March, will be available from early April.

Please post the completed coupon immediately to enable us to forward details to you at the earliest opportunity.

To: Perpetual Portfolio Management Limited, 48 Hart Street, Heston-on-Thames, Middx UB9 2AZ. Tel: (0492) 576868.

Please send me details of the: ☐ Perpetual 1989/90 Personal Equity Plan ☐ Perpetual 1990/91 Personal Equity Plan

SURNAME (Block letters please)

ADDRESS

POSTCODE

Perpetual Independent Fund Management Member of DMO

*Perpetual Fidelity Nominees are the only UK unit trusts, as the lowest and highest rates, and Central Gains Tax.

**Perpetual should be aware that tax assumptions may be subject to statutory change. Investors should remember that the value of unit trusts and equities, and the income derived from them, can fall as well as rise and that past performance is not a guarantee of future success.

THE THINKING PERSON'S GUIDE TO RETIREMENT

INCOME. GROWTH. AND PEACE OF MIND.



If you're retired (or just about to) you know full well that peace of mind only comes from having the confidence and security of a high regular income and capital growth.

But how are you going to achieve it? Will your pension or Building Society savings do the whole job? And if you invest your capital in stocks and shares, can you be sure they'll deliver consistently high regular income, growth and security?

If these questions concern you, you should talk to us. Because not only do we understand those concerns - we can do something about them.

We can help you earn a high regular monthly income.

We can provide you with the capital growth you need to fight inflation over the coming years. (If any of our suggestions involve

investments which fluctuate we will tell you before you invest.)

And we can help you to pay less tax - and even get tax back for you.

We are Britain's leading retirement income specialists and act on behalf of thousands of clients from our offices throughout the country.

So for peace of mind, why not talk to us now? Complete the coupon and post it to Knight Williams & Company Limited, 161 New Bond Street, London W1Y 0LA or telephone us on 01-408 1138.

Knight Williams and Company Limited are authorised by the Financial Intermediaries, Managers and Brokers Regulatory Association (FIMBRA), which is part of the new framework for investor protection established by the Financial Services Act.



The Knight Williams & Company Limited, 161 New Bond Street, London W1Y 0LA.

Please send me details of Knight Williams' service to private clients and a copy of 'Self-Defence in Retirement'.

Name

Address

Postcode

Tel No.

Ref Code

FT17/3

I am retired / I plan to retire in months.

Knight Williams Britain's Leading Retirement Income Specialists

MINDING YOUR OWN BUSINESS

Marketing pride to prevent a fall

THE ATTRACTIVE of running a small hotel in the country, and combining a rural life-style with a profitable business, puts hotel-keeping high on the list of popular small business ventures, writes ROY HODSON. But beware of neglecting the marketing side. If you are careless in that direction, you are almost certainly doomed to failure. This is how a small band of private hotel-owners has got together to win customers.

GETTING bodies into bedrooms is the basic marketing problem facing the hotelier, whether he is running a vast city complex of 1,000 rooms or a simple country inn, says Michael Yeo. As proprietor of Essborne Manor, a small and charming country house hotel near Andover, Hampshire, which is run by his

family, Yeo speaks from experience. He speaks also as the full-time marketing director for Pride of Britain, an organisation which was formed in 1982 to pool the marketing resources of a small number of Britain's most comfortable country house hotels.

This year, 32 hotels are members. Each pays £5,500 a year for the privilege, together with a joining fee of £250 per bedroom. Membership is coveted among private hotel-owners, both for the cachet given to any member hotel by this avowedly elitist club and for the practical marketing support that it provides.

Yeo concentrates his efforts in the United States, his biggest market for visitors to Britain. The latest innovation is toll-free calling to Pride of Britain Hotels from the US. Travel agents in the US can now dial a free number (with an 800 prefix) to make direct bookings and discuss clients'

needs with any of the member hotels.

The usefulness of this new service is not in dispute, although some hoteliers are less enthusiastic than others about taking long calls from California in the small hours.

On a recent US coast-to-coast sales tour, Yeo and a colleague, Tony Elliott, burst into song at a reception they gave for travel agents. One verse (to the tune of *English Country Garden*) sums up the Pride of Britain approach better than its printed sales brochures:

*As evening draws in, it becomes the hour,
In a Pride of Britain hotel,
To return to your room and don the right attire,
For a Pride of Britain hotel,
Diners are quite formal, jackets are the norm,
Mount Vice style does not go down too well,
So no jeans, please, or shirts without sleeves,
At a Pride of Britain hotel.*

The country hotels in Pride of Britain are owned and managed privately and those already in the group make it difficult for anyone to join. Last year, 41 applied. All were visited at least three times by members (they try to keep their identities secret from the proprietors under scrutiny). Only five stayed the course to become members and replace the three who resigned.

Failed candidates can try again but, as Yeo points out: "If they fail once, they tend to fail again. Perhaps they would be better suited to another level of the market."

Another barrier to entry is that members have a right of veto over applicants. And no hotelier is going to offer aid and comfort to a business situated close to his own.

Yeo, 59, has won his present position as proprietor of Essborne Manor, a 17th-century Hampshire SP11 GER (tel. 086-476-444).

For a brewer. Then he took an inn tenancy in Salisbury, Wiltshire, and became one of the pioneers of her food.

He and his wife, Frieda, learned about running country house hotels during 10 years managing a remote hotel they opened in Scotland. But they were only shareholders and had ambitions to have their own business. Two years ago the family bought Essborne Manor, which has 12 bedrooms, for £700,000 and moved south.

When they took over the hotel, it had an occupancy rate of only 44 per cent. Now, it is running at 63 per cent (Yeo estimates his break-even at 50 per cent) and is enjoying a lot of corporate business from the new electronics industries of the Thames Valley.



Michael Yeo and wife Frieda... they learnt their business during 10 years in Scotland

Testing times at the office

LICENSING an existing product is one useful route to consider if you are thinking of going into business for yourself. Merete Cohn, a Danish-born psychologist who has lived in England for nearly 20 years, was looking around for a business opportunity when she remembered a venture with which she had been connected early in the 1980s - a company re-training redundant miners in Ebbw Vale, south Wales, to cut and process furs. The company used a German-developed aptitude test as an aid to selecting workers with the necessary visual perception, colour sense and craft talents.

With this in mind, Cohn found that a type of psychological evaluation test for employees was available from a company called Profile Evaluation Systems in Vancouver, Canada. Now, she is now managing director of a small British company of the same name which is selling the test under licence. She has been arranging tests

at a rate of 150-200 a month from her office in Covent Garden, London. "Clearly, the results satisfy employers," she says. "They like the fact that the test can be used without having special skills. They are coming back for more at such a rate that we foresee a high degree of repeat business from our corporate clients."

Cohn intends to market the system widely by selling sub-licences to representatives throughout Britain. So far, 11 agents have been appointed, mainly in the south-east. They are required to invest around £2,500; in return, a quantity of tests is provided ready for sale to employers.

The heart of the test is a computer programme on one floppy disc which can be run on any IBM-compatible machine. An applicant for a job, or an employee being considered for a new job within a business, completes a profile evaluation booklet - a series of written and scoring tests taking under an hour.



Merete Cohn... a high degree of repeat business

The employer then feeds the data into the computer programme and a profile hiring report is printed out. It costs £200 initially to install the software and the computer programme includes a master to provide a set number of tests at £25 a person. The repeat business

will come from re-loading the system on client firms' computers to test more people.

Profile Evaluation Systems Ltd, Riverside House, 18 Eversholt St, London WC2E 8QX (tel. 01-376-0158).

R. H.

Roy Hodson meets a businessman who really likes to be alone

Machiavelli brings in the deals

BUSINESSES run by just one person are few and far between. After starting-up on their own, most people feel they need one or more helpers to cover for sickness and holidays, provide muscle for expansion, and offer moral support. It is, after all, good to be able to discuss problems with someone else.

Just a few sturdy entrepreneurs pride themselves on tailoring their businesses to be run by one person. Such an operator is Dermot Bradley who is earning himself a fee income of £15,000 a year as a corporate sales consultant. He trains company sales staff how to negotiate mega-contracts for such items as computers, ships, weaponry, heavy engineering equipment and power plants.

After graduating from University College, London, with a first-class honours degree in electrical engineering, Bradley worked for English Electric Computers and then spent 10 years with IBM. He moved from systems engineering to the sales side and helped to re-train the company's sales force.

For one valuable year in his IBM career, he was a new business salesman with no account responsibilities and had the chance to put his burgeoning ideas on big deals into practice.

As a one-man band without even a secretary, Bradley, now 44, charges high fees, rationing his time (his diary is full for a year ahead) and insists on client handling seminars within easy reach of his home at Datchet, Berkshire, just west of London; this means he can avoid wasting time in aircraft and hotels.

Instead, he has given up overseas travel entirely.

This approach might seem arrogant but Bradley insists he is offering a good product which is in demand, and that he is practising what he preaches by showing skill in handling a seller's market. "The relationship between big companies and small consultants is changing," he says.

"My experience is that they (big companies) are now preferring me to work for them."

While Bradley's business is something of a model of its kind, he concedes that his analytical methods are complicated and sometimes tortuous. They are concerned with deals that can take months, often years, to clinch. After examining his own performance objectively, he concluded that a computer could do the job just as well.

Thus, for the past four years

opportunities it is likely to offer.

The programme takes a sales force through the politics of a big deal. It plots the routes to be explored, identifies the barbed wire and, indeed, treats the whole thing rather like a game of chess. Bradley estimates that a company using Machiavelli would have it up and running after a full day of inputting such raw data as information about the company to which it is trying to sell its product and the people involved on both sides. After a further half-day's work, during which the computer develops and refines basic ideas, it will be ready to print-out a sales plan.

Machiavelli then will be consulted as an oracle during the negotiating period. The computer model points to any holes that might be appearing in the sales plan up to the moment salesmen know as "Death Valley" - the critical phase in a deal after a firm quote has been submitted.

Dermot Bradley, Advanced Sales Training, Ditton Lodge, 36 Slough Road, Datchet, Berkshire SL3 9AG (tel. 0753-02891).

He doesn't even have a secretary but his engagement diary is full for a year ahead

MINDING YOUR OWN BUSINESS

Interesting assignments successfully undertaken

Self employed consultant, many years resident Japan. Well travelled Far East/S.E. Asia. Wide knowledge Far Eastern business methods. Frequent visits maintain continuity. Next trips: Osaka early April, Tokyo early May, Seoul mid May. Permanent representation in Tokyo.

Telephone Colin Newman 0932 224793 (office) or (preferably) 0932 220086, after 6pm. Fax: 0932 244469

PLC PROPERTY COMPANY

Seeks to acquire large portfolio of property in and around the London area. Leasehold, Freehold, Tenanted, vacant. All replies treated in confidence.

Write Box F9450, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

INVESTMENT OPPORTUNITY

Equity participation invited for growing business in storage and distribution in Bristol area £200K+. Fully asset backed (long leasehold).

Please Contact Agents: B&S Financial Services Tel: (0244) 311614 Fax: (0244) 320890

RACE TO SUCCESS FOR SALE

Two 2 year old race horses, speedy, exciting prospects, ready to run early April available. Both un-raced, so suitable for business ownership. Join a progressive, young, winning team.

Ring Tim Thompson Jones 0488 71596

TO LET OFFICES & WAREHOUSE

Modern double storey 10,000 sq ft. office, 30,000 sq ft. warehouse to let with 26 ft. clear eave. Suitable for storage, distribution or light industrial use. Only 5 minutes from Junction 1, M4. 12 minutes from M25, which is only 5 miles, 20 minutes from Central London, 12 miles only.

Write Box F9440, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

INVESTOR INTERESTED

In partnership, or outright purchase, of well established interior, decorating business preferably with retail premises in Central London.

Write Box F9444, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

BUSINESS WANTED

Substantial listed Financial Services plc seeks to acquire commercial debt collection companies and related services. All replies treated in strictest confidence.

Write Box H5909 Financial Times, One Southwark Bridge, LONDON, SE1 9HL

THE BUSINESS SECTION

Appears Every Tuesday & Saturday

Please contact: Carole Bishop on 073 4706 or Sue Mason on 073 3388

For further details please write to Financial Times, Southwark Bridge, London, SE1 9HL

BUSINESSES FOR SALE

ATHENS

Kitchen, in the northern part of town, 30 min. from the centre. At the present time, we are building a three-level prestigious office-center with a total surface of 12 x 2000 sq.m. It is composed of 2 adjacent buildings. We are selling part of a building, one, or both of them in the basement many parking places also available.

For complete information including pictures, maps, mortgage and details contact Mrs. E. Michailis, 19, rue Chabrey, CH-1202 Geneva.

Service Offices

5,000 sq ft. (19 offices) in the heart of South of England city. Newly-built, 90% let. Offers invited for freehold, high quality furnishings and good will.

Write Box H5926, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

FOR SALE

Established educational company with French subsidiary operating from attractive freehold properties in France.

Write for details to Box H5927, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

LEGAL NOTICES

IN THE MATTER OF VIDEO MAGIC LEASING GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 28th day of February 1990 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share premium account of the above named Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Hon. Mr. Justice Warner at the Royal Courts of Justice, Strand, London WC2A 2LL, on Monday 28th March 1990.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of the share premium account should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requesting the same by the undersigned solicitors on payment of the regulated charge for that service.

Dated this 17th day of March 1990.

Nathaniel Nathanson
30 Strand Street
London WC2N 7DL

Solicitors for the Petitioning Company

FRENCH 66 IN PROVENCE

and **FRENCH, DUTCH or SPANISH 66** in the ARDENNES

The advantages of the CERAN 66 concept, with residential courses:

1. Intensive study (Minimum 36 lessons per week).
2. Plus the constant practice of what you have learnt, every day from 8 a.m. to 10 p.m., with teachers constantly present at realtimes, breaks and in the evenings.
3. A total of 66 hours per week of full immersion in the language.

Ceran is a top class school for leaders in business management and government. Our client since 1976 include Alcatel, AT & T, Canon, Deutsche Bank, Dow Corning, European Parliament, German Foreign Office, Harway, Lufthansa, McKinsey, Mercedes-Benz, NATO, Philips, SVAE, Siemens, Toyota, Winterthur, etc.

We also run holiday courses in French for young people (13-18).

CERAN 66

Language courses for motivated people.

CERAN LANGUES PROVENCE

BP 27225
F-93130 PONTAUX-CEVRE
FRANCE - Tel: (+33) 01 55 31 31 31
Fax: (+33) 01 55 31 31 31

CERAN ARDENNES

285, avenue du Château - B-4000 SPA
BELGIUM - Tel: (+32) 8787 71 74
Fax: (+32) 8787 71 74
Tel: (+32) 8787 71 74
Fax: (+32) 8787 71 74

U.S.A.: Languepro - Tel: (214) 257-1600 - Fax: (214) 254-1627

HOTELS & LICENSED PREMISES

FREEHOLD HOTEL FOR SALE

78 Bedrooms (75 on site) in West Cumbria. Beautifully furnished public house for sale. 3 bars, lounge bar for 50, full pub bar for 70. Bar is quality furniture for 120, covers for 30, two conference rooms for 20 & 30. Car only for 40 cars, 2 car garages, 100 sq ft. of storage space. 100 sq ft. of storage space. 100 sq ft. of storage space.

Write to Box H5934, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

BUSINESS SERVICES

Your office in **BRUSSELS WARSAW BUDAPEST LONDON**

Fully furnished, first class secretarial services. Prestigious locations.

Tel: London 01-307 3080 Brussels 02-535 7500

INTERNATIONAL LAWYER

London and Geneva based, seeks assignments.

Write Box H5955, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

LEGAL NOTICES

IN THE MATTER OF VIDEO MAGIC LEASING GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 28th day of February 1990 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of the share premium account of the above named Company.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Hon. Mr. Justice Warner at the Royal Courts of Justice, Strand, London WC2A 2LL, on Monday 28th March 1990.

ANY Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of the share premium account should appear at the time of the hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requesting the same by the undersigned solicitors on payment of the regulated charge for that service.

Dated this 17th day of March 1990.

Nathaniel Nathanson
30 Strand Street
London WC2N 7DL

Solicitors for the Petitioning Company

FRENCH 66 IN PROVENCE

and **FRENCH, DUTCH or SPANISH 66** in the ARDENNES

The advantages of the CERAN 66 concept, with residential courses:

1. Intensive study (Minimum 36 lessons per week).
2. Plus the constant practice of what you have learnt, every day from 8 a.m. to 10 p.m., with teachers constantly present at realtimes, breaks and in the evenings.
3. A total of 66 hours per week of full immersion in the language.

Ceran is a top class school for leaders in business management and government. Our client since 1976 include Alcatel, AT & T, Canon, Deutsche Bank, Dow Corning, European Parliament, German Foreign Office, Harway, Lufthansa, McKinsey, Mercedes-Benz, NATO, Philips, SVAE, Siemens, Toyota, Winterthur, etc.

We also run holiday courses in French for young people (13-18).

CERAN 66

Language courses for motivated people.

CERAN LANGUES PROVENCE

BP 27225
F-93130 PONTAUX-CEVRE
FRANCE - Tel: (+33) 01 55 31 31 31
Fax: (+33) 01 55 31 31 31

CERAN ARDENNES

285, avenue du Château - B-4000 SPA
BELGIUM - Tel: (+32) 8787 71 74
Fax: (+32) 8787 71 74
Tel: (+32) 8787 71 74
Fax: (+32) 8787 71 74

U.S.A.: Languepro - Tel: (214) 257-1600 - Fax: (214) 254-1627

BUSINESS SOFTWARE

To advertise in this section please telephone Richard Jones, 01-873 348947 1744 or write to him at the Financial Times, One Southwark Bridge, London SE1 9HL

BILINGUAL POWER FOR YOUR PC FOR £79.95

Translation - Assistant for FRENCH, GERMAN, ITALIAN and SPANISH. Translates, corrects, interprets, provides grammar and vocabulary. Includes options: spelling, grammar, thesaurus, dictionary, etc. 100% satisfaction or money back.

By a simple tape, the translation is inserted directly into your wordprocessing document.

For further information please write to Box H5934, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

ASSET MANAGEMENT

Private practice for most sophisticated PC-based asset management system. Currently available to only a few select major UK and international companies. The system is designed to help the company to manage its assets. The system is designed to help the company to manage its assets.

Write to Box H5934, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

PC GLOBE 3.0

ELECTRONIC ATLAS

Contains 100,000 names, facts and figures on 177 countries which can be displayed, compared, printed or saved in a PC file.

Write to Box H5934, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

IMPROVE YOUR PROFITS IN THE TRADED OPTIONS MARKET

Our new software, Options Evolution, is designed for the private trader. It is designed to help the trader to manage his options. It is designed to help the trader to manage his options.

Write to Box H5934, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

BOARDROOM - GOAL-SEEKING DECISION MODELLER

Did you know that a change as small as 1% in volume, price, costs and quality can increase your profit by 20%?

Do you know the decision alternatives available to your directors if the volume makes a 10% pay claim?

Our boardroom model designed specifically for the boardroom are already in use to cover 60 UK organisations.

For information from Alan Remington or Geoff Smith, 01-873 348947 1744 or write to him at the Financial Times, One Southwark Bridge, LONDON, SE1 9HL

TEXT DATABASES

Want to manage marketing, intelligence, bibliographic databases, with lots of text and ordinary, specialist databases managers won't touch? SUPERFILEDOLLOP is a unique two-oriented database manager designed for the job - 4,000 copies sold over 3 years. Available on 160-000 and 1.4MB, 2MB, 4MB, 8MB, 16MB, 32MB, 64MB, 128MB, 256MB, 512MB, 1024MB, 2048MB, 4096MB, 8192MB, 16384MB, 32768MB, 65536MB, 131072MB, 262144MB, 524288MB, 1048576MB, 2097152MB, 4194304MB, 8388608MB, 16777216MB, 33554432MB, 67108864MB, 134217728MB, 268435456MB, 536870912MB, 1073741824MB, 2147483648MB, 4294967296MB, 8589934592MB, 17179869184MB, 34359738368MB, 68719476736MB, 137438953472MB, 274877906944MB, 549755813888MB, 1099511627776MB, 2199023255552MB, 4398046511104MB, 8796093022208MB, 17592186044416MB, 35184372088832MB, 70368744177664MB, 140737488355328MB, 281474976710656MB, 562949953421312MB, 1125899906842624MB, 2251799813685248MB, 4503599627370496MB, 9007199254740992MB, 18014398509481984MB, 36028797018963968MB, 72057594037927936MB, 144115188075855872MB, 288230376151711744MB, 576460752303423488MB, 1152921504606846976MB, 2305843009213693952MB, 4611686018427387904MB, 9223372036854775808MB, 18446744073709551616MB, 36893488147419103232MB, 73786976294838206464MB, 1475739525896764128MB, 2951479051793528256MB, 5902958103587056512MB, 11805916207174113024MB, 23611832414348226048MB, 47223664828696452096MB, 94447329657392904192MB, 188894659314785808384MB, 377789318629571616768MB, 755578637259143233536MB, 1511157274518286467072MB, 3022314549036572934144MB, 6044629098073145868288MB, 12089258196146291736576MB, 24178516392292583473152MB, 48357032784585166946304MB, 96714065569170333892608MB, 193428131138340667785216MB, 386856262276681335570432MB, 773712524553362671140864MB, 1547425049106725342281728MB, 3094850098213450684563456MB, 6189700196426901369126912MB, 12379400392853802738253824MB, 24758800785707605476507648MB, 49517601571415210953015296MB, 99035203142830421906030592MB, 198070406285660843812061184MB, 396140812571321687624122368MB, 792281625142643375248244736MB, 1584563250285286750496489472MB, 3169126500570573500992978944MB, 6338253001141147001985957888MB, 12676506002282294003971915776MB, 25353012004564588007943831552MB, 50706024009129176015887663104MB, 101412048018258352031775326208MB, 202824096036516704063550652416MB, 405648192073033408127101304832MB, 811296384146066816254202609664MB, 1622592768292133632508405219328MB, 3245185536584267265016810438656MB, 6490371073168534530033620877312MB, 12980742146337069060067241754624MB, 25961484292674138120134483509248MB, 51922968585348276240268967018496MB, 103845937170696552480537934036992MB, 207691874341393104961075868073984MB, 415383748682786209922151736147968MB, 830767497365572419844303472295936MB, 1661534994731144839688606944591872MB, 3323069989462289679377213889183744MB, 6646139978924579358754427778367488MB, 13292279957849158717508855556734976MB, 26584559915698317435017711113469952MB, 53169119831396634870035422226939904MB, 106338239662793269740070844453879808MB, 212676479325586539480141688907759616MB, 42535295865117307896028337781551922304MB, 85070591730234615792056675563103844608MB, 170141183460469231584113351126207689216MB, 340282366920938463168226702252415378432MB, 680564733841876926336453404504830756864MB, 1361129467683753852672906809009661513728MB, 2722258935367507705345813618019323027456MB, 5444517870735015410691627236038646054912MB, 10889035741470030821383254472077292109824MB, 21778071482940061642766508944154584219648MB, 43556142965880123285533017888309168439296MB, 87112285931760246571066035776618336878592MB, 174224571863520493142132071553236757757184MB, 348449143727040986284264143106473515514368MB, 696898287454081972568528286212947031028736MB, 1393796574908163945137056572425894062057472MB, 278759314981632789027411314485178812401152MB, 557518629963265578054822628970357624802304MB, 1115037259926531156109645257940715249604608MB, 2230074519853062312219290515881430499209216MB, 4460149039706124624438581031762860998418432MB, 8920298079412249248877162063525721996836864MB, 17840596158824498497754324127051443993673728MB, 3568119231764899699550864825410288798734752MB, 7136238463529799399101729650820577597469504MB, 14272476927059598798203459301641155194939008MB, 28544953854119197596406918603282310389878016MB, 57089907708238395192813837206564620779756032MB, 114179815416476790385627674413129241559512064MB, 228359630832953580771255348826258483119024128MB, 456719261665907161542510697652516966238048256MB, 91343852333181432308502139

WEEKEND FT SPECIAL REPORT/INDEPENDENT EDUCATION

Wanted: good teachers for a new age

Ian Beer, Head Master of Harrow, on the privileges and responsibilities of the private sector

INDEPENDENCE, like many privileges in life, imposes great responsibility. The school which values its independence enjoys a freedom to act which gives it an opportunity to lead over a whole range of issues. The concepts of outward bound and service through the ideas of Kurt Hahn and Alex Dickson, involvement with Nuffield Science and recent developments in Design Technology through work at Westminster College, Oxford, are just some examples. But these are in the past and there are great challenges now and in the coming years which those who teach in the independent schools will have to tackle.

The main challenges, in my view, are in the development of the curriculum and the provision of good quality teachers; these challenges are essentially linked. Independent schools are not forced to teach the new National Curriculum and therefore there is an opportunity both to retain what is good as well as develop the new.

The way schools react to the National Curriculum will be varied as the schools themselves. This is all for the good, as out of this variety could develop ideas and schemes of work which may influence the National Curriculum itself and assist colleagues in the maintained sector who may not have such freedom. For example, the future of the classics, of the teaching of second and third languages and of separate sciences, may rest with the independent sector which must continue to take these responsibilities very seriously.

Beyond the age of 16 the challenge is just as great, or even greater, as independent schools will inevitably influence decisions over the whole future of sixth form education. Schools - both independent and maintained - are united with the universities and polytechnics in acknowledging the need for greater breadth for our pupils, but the introduction of GCSE has produced an additional factor: there is now, in many subjects, a gap in knowledge between the top GCSE grade and A level.

Advanced-level syllabuses are being rewritten, but how far may this effect the depth to which students have been taken in the past? It seems to me we have a choice of three possible ways forward:

■ To scrap A levels and introduce a general five subject examination, comparable to that recommended in the rejected Higginson Report.
■ To refuse to accept any change at all and doggedly resist change in syllabuses so that "standards," however defined, are maintained.



Ian Beer, Head Master of Harrow School: sees many challenges in the future

■ To adapt the present A level syllabuses, defining a core of knowledge, and also adapt the AS level syllabuses so that breadth and, hopefully, contrasting studies would be achieved.

For many reasons I believe it likely that most independent schools would wish to further the

third option: the first seems politically non-viable at present, and the second does not take into account the evolving nature of the new sixth form in the maintained sector, nor the issue of breadth of study.

The third option requires legislation insisting that all university and polytechnic entrance should study

five subjects, with a minimum of two to advanced level. The syllabuses could be designed in such a way that a final decision as to which would be studied to advanced level could be postponed until the end of the first year in the sixth form, and at least one of the five subjects must be contrasting in

mathematics with art subjects, a foreign language with the sciences. However, none of these ideas will be implemented without a good quality teaching force, and the independent sector must do all that it can to stimulate interest in the profession for the future.

To that end, the scheme intro-

duced by the Independent Joint Schools Council last year - to give teaching experience to undergraduates at universities and polytechnics - has already proved a success and has led the way to encourage government to support, and hopefully, to take over the scheme.

This is a good example of the

proper use of independent schools' freedom of action to help all children in our land, for there can be few more noble challenges to a young man or woman than to influence the next generation. Teaching is a noble profession, and that profession must move forward in two important areas: first, the creation of a Teachers Council to define and maintain standards within the profession; second, the formation of a Staff College - maybe without walls - to stimulate and organise proper in-service training for, in the first instance, senior management.

Over the past two or three years several independent schools have created new courses in social development, in inter-personal relationships and health education. In coming years I believe that we shall see a proliferation of courses to help the young through puberty and prepare them for parenthood and responsibility for their children. At the same time there will be a continued evolution of ways of teaching forms of leadership and management, bearing in mind the importance of our European neighbours and world markets.

More pupils will have some form of work experience prior to leaving school, so that a proliferation of small companies will develop in schools which will make profit for charity or for their own schools. The skills learnt in the classroom will be used, together with the hardware available to the pupil, in order to create sources of income.

The pupil leaving the sixth form in the late '90s will be far better prepared to accept the challenge of employment than ever before. The speed of change outside schools and the use of IT in schools will feed on each other to create challenges to teachers, who will be constantly redesigning the way in which their pupils are influenced.

In both these areas I believe that the independent sector has much to offer. Such developments could help in uniting a profession which has for too long been divided. Countries the world over will require a young generation skilled and able to use information, both stored in their brains and electronically, and those countries with the most developed information technology and a generation well taught to make use of it will survive the best. Teachers in all our schools will be excited by the challenge, but none more so than those prepared to accept the responsibility of using their independence creatively.

■ Ian Beer is Head Master of Harrow School and Chairman, Independent Schools Joint Council Advisory Committee.

EDUCATIONAL GUIDANCE

PLAN AHEAD NOW FOR:

GCSE
A-LEVELS & OTHER VIVA FORM OPTIONS
HIGHER EDUCATION
CAREERS

Our experienced consultants offer professional guidance at all levels. A full careers testing service is available. If you are changing schools in September, our School Selection Service offers expert advice on the choice of UK independent schools and colleges.

Please telephone and ask for our brochure on 01-734 0161 and 01-439 2071

GABBITAS, TRUMAN & THRING
EDUCATIONAL TRUST
6-8 Sackville Street, London W1X 2BR

Consultants on Independent Education since 1873

GABBITAS, TRUMAN & THRING

Art for more than art's sake

Marilyn Bentley finds education plays a large part in stage schools

CAREERS in the performing arts are notoriously precarious and training has never been any guarantee of a job. The actors' union, Equity, which also looks after the interests of dancers, reports around 75 per cent of its 44,000 members unemployed at any one time. As Equity's Rosie Brockhurst says: "Insecurity goes with the job."

So does competition - and long before you get your Equity card. In Britain 16 schools offer courses accredited by the National Council for Drama Training; RADA, the most famous, receives about 2,000 applications for just 26 places. But what statistic ever deters the committed thespian?

The NCDT cannot advise students as to the most suitable courses for their needs. To be an actor or actress is an intensely personal discipline, and choosing a drama course has as much to do with how you view the experience - as education, personal development, or vocational training - as to whether the school has, say, a well-equipped television studio.

"Some drama schools apply themselves more meticulously to the end product, to what students will face professionally," says Patricia Marmont, a theatrical agent who regularly attends student performances at the drama schools in order to "spot" potential clients (she found Kenneth Branagh at RADA).

"Some are more esoteric - educating for drama rather than training for the theatre. But it's not an airy-fairy world students are entering. It's a hard-nosed business."

True enough. But students would also be wise to assess the training in terms of the wider context of education. There's little consolation in being able to produce round tones in a Shakespeare soliloquy if the nearest you ever get to the National Theatre is a cardboard box under Waterloo Bridge.

"Find out what you can beforehand," advises actor Martin Lawford, a graduate of the East 15 Acting School at Loughton. "Read the prospectuses, talk to people who've been to the schools. If possible, try and arrange a visit before you apply - most schools will let you do this. It's an individual thing all the way."

The British seem to have maintained a Platonic distrust of actors which does not extend to performing musicians. Music training has, for the most part, enjoyed a higher academic standing. Students are eligible for mandatory maintenance grants, while drama awards are discretionary.

At 18, most dancers with serious performing ambitions will be embarking on their professional careers, although continuous training is a life-long - or at least career-long - requirement. The Council for Dance Education and Training accredits vocational courses at 21 schools and colleges in Great Britain and can provide information on all aspects of dance education. For those

of actors which does not extend to performing musicians. Music training has, for the most part, enjoyed a higher academic standing. Students are eligible for mandatory maintenance grants, while drama awards are discretionary.

At 18, most dancers with serious performing ambitions will be embarking on their professional careers, although continuous training is a life-long - or at least career-long - requirement. The Council for Dance Education and Training accredits vocational courses at 21 schools and colleges in Great Britain and can provide information on all aspects of dance education. For those

Dance is part of an integrated approach to education and is approached conceptually as well as practically, within the cultural context of theatre. A concern with the relationship between the arts and contemporary society is central to Dartington's philosophy, and students are encouraged to relate their work to the wider community.

The scope of Dartington's courses is very attractive to students who, like the graduate Helen Lawford who, at 18, was vague about her ambitions, "I wanted to work for the BBC - something to do with music, but I didn't know exactly what." Her music teacher recommended her to apply to Dartington, and "I fell in love with it, right from the interview," says Helen, recalling her first impressions of the beautiful Dartington Hall Estate, in which the college buildings are set.

Helen found the range of music studied at the college, and the variety of the students' ambitions there, stimulating. The opportunity to experiment with different musical forms led her to new interests, in particular, early music, to which her silvery soprano voice was particularly suited. As soloist with the harpichord and recorder trio Euterpe, she is now developing a career performing early music.

■ Council for Dance Education and Training, 5 Tavistock Place, London WC1E 9SN, tel: 01-388-5771. Drama Centre London, 176 Prince of Wales Road, London NW5 3PT, tel: 01-267-1177. Dartington College of Arts, Totnes, Devon TQ9 6EZ, tel: 0898-963234.

with a more academic interest, the Laban Centre for Movement and Dance pioneered a BA Honours degree in Dance Theatre, and many former Laban students are involved in the art through choreography, teaching and dance administration.

Many young people with an interest in the arts may benefit from an opportunity to follow wider, more exploratory studies than those offered by a drama school or a music academy. Dartington College of Arts, in Devon, offers CMAA-validated degrees in Music, Theatre and Dance: a valuable education leading to a degree, and a chance to experiment with many different kinds of work, both within and between

disciplines.

From its foundation, Dartington has had an international focus, with a long-standing commitment to Asian Arts. The teaching of Western early music is strengthened by links with The John Loane Music Centre at Buckfastleigh in Devon. The innovative and experimental approach of the Department of Dance & Drama originated in the mid-1980s, with the work of Michael Chekhov and the German expressionist dance company Ballets Jooss.

Dance is part of an integrated approach to education and is approached conceptually as well as practically, within the cultural context of theatre. A concern with the relationship between the arts and contemporary society is central to Dartington's philosophy, and students are encouraged to relate their work to the wider community.

The scope of Dartington's courses is very attractive to students who, like the graduate Helen Lawford who, at 18, was vague about her ambitions, "I wanted to work for the BBC - something to do with music, but I didn't know exactly what." Her music teacher recommended her to apply to Dartington, and "I fell in love with it, right from the interview," says Helen, recalling her first impressions of the beautiful Dartington Hall Estate, in which the college buildings are set.

Helen found the range of music studied at the college, and the variety of the students' ambitions there, stimulating. The opportunity to experiment with different musical forms led her to new interests, in particular, early music, to which her silvery soprano voice was particularly suited. As soloist with the harpichord and recorder trio Euterpe, she is now developing a career performing early music.

■ Council for Dance Education and Training, 5 Tavistock Place, London WC1E 9SN, tel: 01-388-5771. Drama Centre London, 176 Prince of Wales Road, London NW5 3PT, tel: 01-267-1177. Dartington College of Arts, Totnes, Devon TQ9 6EZ, tel: 0898-963234.



INSTITUT D'ENSEIGNEMENT
DE LA LANGUE FRANCAISE DE LA COTE D'AZUR
64, avenue de Toulon - 83400 HYERES (FRANCE)
Tel: 94 65 03 31 - Téléc 404 705 - Télécopie 94 65 81 22

POUR BIEN APPRENDRE LE FRANCAIS

Institut international pour adultes,
ouvert toute l'année

- Cours intensifs de longue ou courte durée
- Divers types d'hébergement (familiales-hôtels, studios, hôtels)
- Situé à HYERES, agréable station balnéaire de la Côte d'Azur (entre MARSEILLE et SAINT-TROPEZ)
- Vols quotidiens de PARIS à l'aéroport de TOULON-HYERES

Brochure 1990 sur demande.

ST MARY'S HALL
BRIGHTON

In your daughter... Starting GCSE or A level in September?

Give her a fresh start at St Mary's Hall

Small classes, experienced staff and a wide range of extra-curricular activities in a friendly, yet disciplined environment, help girls to achieve their potential.

Scholarships (Academic and Musical) may be awarded to able girls.

Details from St. Mary's Hall, Brighton BN2 5JF.
Tel: 0273-60661

THE ROYAL NAVAL SCHOOL HASLEMERE
BOARDING AND DAY SCHOOL FOR GIRLS

Headmistress: Dr J. L. Clough BA (Hons) (London) PhD (Bristol)

GBA Independent School for Girls - 100 Full/Weekly Boarders, 140 Day Girls.

Superbly situated in an area of outstanding natural beauty, within easy reach of International Airports.

Wide range of GCSE and A Level Examinations and University Entrance.

Open to children of all Service and civilian families.

Boarders accommodated in three houses including the new purpose built South Farm House with computer linked study bedrooms and lecture theatre.

Exceptionally well equipped modern Sports hall for netball, tennis, hockey, volleyball, basketball and gymnastics.

Full Careers Programme with full time Specialist Careers Adviser.

Primary Aim - to develop the full creative and inventive talents of all pupils, whether academic, artistic, technical or musical.

Day Form pupils are encouraged to develop a mature self-disciplined approach to learning.

CCSS
The Cambridge Centre
for Sixth-Form Studies

Day and boarding places are available at CCSS for those wishing to start A and A/S level courses in September 1990. All major Science and Arts A levels are taught within a full sixth-form curriculum.

For details telephone
The Secretary 0223-316890

The Army's Sixth Form College.
Gateway to a career as an officer in the Army's technical corps.

Applications for the January 1991 intake close on 1st May 1990. Boys should be between 16 and 17½ years old at time of entry. Applicants should have, or expect to obtain, 5 GCSE grades A-C (or equivalent) including English, Maths and Physics (or a subject containing Physics and ideally Chemistry).

Please send me further details and a prospectus.
Full Name _____
Home Address _____
Date of Birth _____

Post to: The Principal, Welbeck College, Freepost 4335, Dept 0639, Bristol BS1 3YX.
Tel: 0809 476326.

Army Officer

The Armed Forces are Equal Opportunity Employers under the terms of the Race Relations Act 1976.

Find the perfect luxury holiday in the
WEEKEND FT.

HOLIDAYS AND TRAVEL appears every Saturday.

WEEKEND FT SPECIAL REPORT/INDEPENDENT EDUCATION

In tune with the most privileged of callings

THE Yehudi Menuhin School was established in 1983 to serve the highest demands of what its violin virtuoso founder calls "the most blessed and privileged of callings" - that of the musician. It provides tuition to children of exceptional musical ability, in stringed instruments and piano, from eight to 18.

The school bears its responsibility lightly, and with an atmosphere of ease and informality. Joined teachers for their mid-morning break amid cheerful conversation and Marmite sandwiches. At 11am, a young cellist, showed us round the school, set in 15 acres of Surrey countryside, the sounds of laughter and Mozart drifted from the practice rooms.

The focus of the children's musical training is the Western classical tradition. "We don't see the need to broaden it," explains Nicolas Chisholm, the youthful headmaster, "although we encourage all kinds of music-making. It's the music our children want to perform."

The school is residential, with children sleeping in single or shared rooms. These are homely, a little shabby and reassuringly untidy, like those of any adolescent - posters on the wall, soft toys and personal mementoes strewn about the room, piles of cassette tapes and CDs. But music is ingrained in this establishment like vitamins in muesli: the passettes and CDs were of Bach, Vivaldi and Beethoven rather than Japen Donovan.

The school's regime of fresh and whole foods, decaffeinated coffee and a total absence of cigarette smoke reflects the Menuhin concern for

wholeness of body and spirit as well as musical commitment. The children receive instruction in the Alexander Technique, to assist them achieve a relaxed and tension-free posture while playing.

Virtually all the Menuhin pupils will enter the music profession. They've made their decision: they want to be performers. The training they receive at the school is more than a development of their personal love of music: it is central to their earning power.

Competition will be a constant feature of their professional life, and at the school it begins early, with a stringent preliminary audition. The successful are then brought together for a day, tested further, and given the opportunity to see the environment in which they will be studying. Needless to say, the candidates are all gifted and dedicated musicians. But what other characteristics do they need to be selected?

"We're looking for the ability to communicate a musical idea," says Chisholm. "To be able to concentrate, often at a very young age. And of course, evidence that the instrument is somehow that extra link of the body. They're qualities which are hard to define, but we don't often get it wrong."

At least half of each day is devoted to musical studies, much of it on a one-to-one basis. A founding philosophy of the school is that pupils should be taught by performing musicians, including such distinguished visitors as Rostropovich and Perlman.

The school aims to provide a high-

quality, if selective, general education. "A creative imagination should be fed in all directions. They would be lesser musicians without it," says Chisholm. Children who are musically gifted are usually above average in intelligence, but with music taking up half of the timetable there is bound to be a some academic pressure.

Exclusive as it must be to serve the interests of its pupils, the Menuhin School is no bastion of monied privilege. Children come from all social and economic backgrounds in the UK, and up to 100 per cent of their fees can be paid, depending on parents' circumstances, by the Department of Education's Music and Ballet scheme. But for the many overseas students - about 45 per cent of the present intake - the situation can be more problematic.

Michaela Rostova is an example. An exceptionally gifted nine-year-old Czechoslovakian pianist, her parents sold their car and many personal possessions to bring her to the school for an audition. There is no doubt that she deserves a place - the problem is how to pay for it. After three years as a resident pupil, her financial position would be assured. But until then, someone has to come up with the £12,000 per annum needed to cover her tuition and maintenance. Michaela is happily settling into the school at the moment, but "we can't afford to be charitable for long," explains Chisholm. Michaela urgently needs a sponsor.

Western classical music has an enduring quality, transcending time, frontier, culture and language. Watch-



A study in concentration: Neil Cauley at practice

ing the Menuhin pupils in lessons, rehearsal and performance, I saw every sign of them serving that musical tradition as faithfully as their founder.

■ The Yehudi Menuhin School, Stokely d'Abernon, Cobham, Surrey KT11 3QQ. Tel: 0332-64732.

Marilyn Bentley

Testing times ahead on the exam front

FOR independent schools - and most other senior schools for that matter - 1990 is the year for another serious look at the exam system. It is the year when the first batch of GCSE students will be taking A levels. The A level results, good or bad, will spark off a new controversy between the anti-GCSE people and the new examination's supporters.

Many supporters of the new exam say that even if the A level results are bad it is the A level that must change and not the GCSE.

What will happen? John Murrell, managing governor of education consultants Gabbitts Truman & Thring says: "If this year's A level results are disappointing I don't think anyone should be surprised." But he remains "an enthusiastic supporter" of the GCSE and is one of the growing band of educationists who believe that there will be a radical rethink on the education of 16- to 18-year-olds, even though a member of the Government is on record as saying that the A level will change "over my dead body."

Peter Boorman, former headmaster of Aldenham School and now principal of Davies Laing and Dick, one of London's leading independent tutorial colleges, says: "I think the GCSE has been very successful."

Of course, there are many critics, and a survey taken of pupils who enter the first results showed a majority opinion that GCSE is a "middle-class exam" because the emphasis on course work is claimed to favour pupils from homes where the parents' interests are professional and intellectual.

One man who will be occupied with the whole future of the exam system and, indeed, of independent schools during the coming years is Vivian Anthony, headmaster of Colfe's School at Lee in South London. He is giving his 11-year headmastership at the end of the summer term to take the new full-time job of secretary of the Headmasters' Conference.

He seems made for the role. Colfe's is an old grammar school, a 16th century foundation with the Leathersellers' Company as trustees. In 1951 it became Voluntary Aided and was maintained as an Inner London Education Authority grammar school. Then the decision was taken to turn the school into a "mini-comprehensive."

However, Colfe's decided to opt out and be an independent school. The decision, Anthony says, has paid off. "Since the

return to independence the school has prospered and flourished in all respects. Girls have been admitted to the sixth form and with the age range extended to seven-plus in the preparatory school there are now about 800 pupils on the campus." Examination results have been excellent, too.

Anthony goes to HMC with a wide range of educational experience. He sees his new job as a kind of "missionary role," largely concerned with making the HMC a better place. He will inevitably be involved in the future of exams. He also hopes to be involved in a more intensive HMC training programme and to get the conference more involved in their own issues such as GCSE and the national curriculum from the beginning, rather than waiting until everything has been decided.

Whatever happens in the exam field, parents have to keep a lookout for what are uncharitably called "exam drops." At Davies, Laing and Dick, housed in a listed building in Kensington, Peter Boorman does not like the term, although he has no objection to his tutorial college being called a "crammer." Neither has his near neighbour, the highly successful Collingham Tutors. DLD has many courses for exam retakes. "What has happened with the majority of pupils who have an objection to school is that they haven't been pointed in the right direction," Boorman says. "We call it poor prioritisation, too much time involved in the school play or sports and games, or just too much socialising."

DLD has an impressive success rate of exam retakes and though fees are not low, there are many assisted places. Many of the students, Boorman says, could only make the kind of progress they do in a tutorial college such as his. He quotes the example of a junior girl national tennis champion who can now concentrate on her required practice and her academic work easier than she could at a conventional school.

He believes - and is pleased - that a cooperation between the independent and the state sectors is growing. Boorman thinks, like many others, that this cooperation could be furthered in the games and sports area of education, where the enthusiasm for the team game may be declining and individual sports - such as tennis and athletics - are prospering.

Alan Forrest

Fee bills: softening the blow

PRIVATE education is expensive. Indeed, those parents now receiving bills for the next term or school year are discovering just how expensive it is.

The next annual survey of school fees from the Independent Schools Information Service (ISIS) could show that fees are on average up by 12 to 14 per cent on last year, following last year's average increase of 10 per cent. These figures are a timely reminder to parents that they will need to budget for an increase in fees not just in line with the accepted definition of inflation - the Retail Price Index - but also in excess of salary inflation.

Last year's ISIS survey showed term fees for senior school boarding in a range from £1,200 to £2,800 for boys and £1,350 to £2,900 for girls. For day pupils, the fee range

was £200 to £2,000 for boys; £250 to £1,500 for girls.

For parents, the inference is obvious: they need to plan ahead in order to ease what is likely to be an ever-increasing burden. But be warned - there is no off-the-peg solution to the problem, whether it is a savings or capital investment scheme, promoted by a life company or a loan scheme promoted by a lending institution. Such schemes may have a role to play in the ultimate funding arrangements, but only after parents have thoroughly assessed their situation.

The following example, provided by the Maidenhead-based School Fees Insurance Agency, the dozen of school fee plan-

ners, gives an outline of a possible approach. However, each parent needs to consult an individual assessment with a specialist.

First, parents should set out the anticipated fee bills, making due allowance for inflation. They can set out fees for both preparatory and senior school or, as is more usual, prepare a school fee plan for the first five years of senior school in five years time.

Assume that the fees at the selected school are £2,500 a term - around the current average. It is further assumed that fees will rise by 10 per cent a year. This estimate is by no means arbitrary, but parents should do their planning on pessimistic projections, so that they are presented with a realistic picture.

The results are set out in the left hand side of the accompanying table. Even for one child, it is a formidable bill. If more than one child is being educated, with overlapping years at senior school, then there

will be a hump in costs for those overlapping years.

Now parents can consider how to meet these costs. First, they can be met out of net income. Parents can assess their anticipated family income for those years and estimate how much of that income will be available to meet the fee bill. Again, any assumptions should be on the conservative side.

Now parents can consider

Year	Annual Cost £	Income available £
1985	4,028 x 3 = 12,078	10,000
1986	4,429 x 3 = 13,287	10,800
1987	4,872 x 3 = 14,616	11,604
1988	5,359 x 3 = 16,077	12,597
1989	5,895 x 3 = 17,685	13,605

It is assumed that current fees are £2,500 increasing by 10 per cent a year, while family income, to stay level, increases by 8 per cent a year.

how to cover any shortfall, or how to ease the future burden. First, they can save towards the cost of school fees out of income.

There are a variety of savings media available - endowment assurance contracts, traditional and unit-linked, unit trusts, personal equity plans and even National Savings or cash funds. Inde-

pendent taxation offers a role for deposit based funds if the wife is not paying tax.

Next, parents can consider using accumulated capital to cover a shortfall. Again, there are a variety of schemes with varying degrees of tax efficiency. If sufficient capital is available, the fees can be funded in advance. The current cost of meeting the fees set out in the table through SIFA is £25,485.

Eric Short

Guides through a maze of choice

THE NUMBER of first-time buyers of independent education is still growing, so the importance of guides increases, too. A parent who wants to put his child into a school or school should be aware of the independent sector is venturing into new territory, and there are many thorns and pitfalls.

For example, should the chosen school be co-educational? The temptation to keep the family together at the same school is strong, but there may be strong reasons for choosing a single-sex school.

Guides vary immensely, from the witty and often irrelevant *Hayes and Queens Good Schools Guide* by Amanda Atha and Sarah Drummond to more prosaic publications.

Two of the best are the guides published by the education professionals, the Independent Schools Information Service (ISIS) and Gabbitts Truman & Thring, the trust which offers everything from up-to-date advice on schools to a career counselling service.

First the new issue of the

ISIS guide. It covers 1,400 boarding and day schools for boys and girls aged from two to 19 in the UK and Ireland. There is excellent introductory advice on the how to choose a school and its advice to parents planning school visits is invaluable to newcomers.

"Find out as much as you can about the teachers. How long have they taught at the school? Where have they taught before? How many are full-time? What are their qualifications?" And so it goes on.

If all this seems a lot for often-overwhelmed parents to consider, the ISIS guide provides a neat check list of "Points to Look For and Questions to Ask" ranging from the level of fees and what the head teacher is like, to weekend activities and what happens to pupils when they leave.

One piece of vital advice to first-time buyers concerns arrival. "The best time to visit a school when you can talk to the head and other members of staff... You may be invited to an open day when the pupils' works are on display, but you

should not choose a school only on the basis of that visit. You must see the school when it is operating normally and classes are in progress. Both parents should visit the school and it may be a good idea to take the child as well."

For good, solid information on independent further education one of the best guides is Gabbitts, Truman & Thring's *Education After 16*. This covers a wide range of colleges, including "crammers" such as Davies, Laing and Dick, and shows that they are much more than exam re-take institutions. DLD's computer study courses and its secretarial section, for example, are well worth considering. There is a good section on English language schools, others on health and beauty studies, hotel and catering courses and European and international schools.

This month sees the publication of another issue of that excellent magazine, *Prep School*, edited by Anne Kiggell. Always experimental, she has taken the bold move of discuss-

ing, in an editorial, child sexual abuse as it relates to schools. It is an unusual subject for this kind of magazine, but why should it be? Here are some useful addresses for people seeking further information:

Alan Forrest

CLAREMONT FAN COURT SCHOOL
Co-education
From 3½ to 18
Claremont Drive,
Esher, Surrey
KT10 9LY
(0372 67841)

Haresfoot Senior School
Butchardstead - Herts
NEW CO-EDUCATIONAL DAY SCHOOL
11 TO 18 YEARS
Wide curriculum, family atmosphere, beautiful rural setting
Tel 0442 577215

ST MARY'S SCHOOL, WATNAGE OXON. OX12 8BZ
Church of England boarding school for 300 girls aged 11-18
4 scholarships available each year
1 at 1+, 1 Sixth-Form & 2 Music
Prospectus from the Admissions Secretary (02357-3571)

PREP SCHOOL
The independent day school for boys and girls aged 4-11
Liberty, independence, maximum achievement
You are warmly invited both to visit and to experience your child's progress
Only £2,000 a year
an income each term, part-time
Write to:
Belgrave Educational Publishing
P.O. Box 140
Haverhill, Herts SG1 1ST
Telephone: Haverhill (0438) 254340

GCSE & GCE A LEVEL
Maximise your exam grades with Embassy Intensive Residential Revision Courses
Oxford & Portsmouth
Easter 1990
(0903) 753333
Dept FL
Embassy Revision Centre, Regent House, 34-36 South Street, London, W1
West Sussex BN15 8AG

COLLINGHAM TUTORIALS
Private Tutoring
For all levels of education
From 11 to 18 years
20 Collingham Gardens, London W14 9LH
Tel: 01-834 0000

PACKWOOD HAUGH ONE SCHOLARSHIP
For the best boy and girl in the year
The smaller awards are offered at Packwood Haugh, a day and boarding Prep. School of 200 boys and 100 girls.
Examination on Saturday, 28th April, 1990.
Details from P.J.F. Jordan, Packwood Haugh, Bayside XI Town, Stroudbury SY4 1BX

THE MOYES STEVENS FLOWER SCHOOL
One week courses in Flower Arranging and Floristry held throughout the year.
Two day courses also available.
Places ring:
01-883171 for further details
6 Brompton Road, London W14 9AG

BRIDGE CONVENT SCHOOL
Member of ISIS, GCSE & A Level
Senior School 11-18 years
Junior School 4-11 years
(Boys 6½-8 years)
For prospectus and further details write to:
The Headmistress, Bridge Convent School, King Road, Bournemouth, Dorset, BH4 2AX

THE BRITISH INSTITUTE OF FLORENCE
For good A level prospects in an outstanding cultural environment plus a variety of shorter courses.
Language Centres 9, Towne
Tel 010 30 55 784011 Fax 010 30 55 784012

EASTERN LANGUAGE REVISION ABOARD
Courses for 12-18 year olds in France, Germany and Spain, living in families. Summer availability also.
Euro-Academy Outboard, 77 George Street, Chesham CH1 1LD
Tel: (0494) 505 243. AFTA 0494

KENSINGTON PARK WITH DIXON & WOLFE
in
PEMBRIDGE SQUARE, W2
Applications for admission in September 1990 at ages 11, 12, 13 are now being considered.
For a Prospectus, or to arrange a visit please phone
01 221 5748.

AUSTIN FRIARS SCHOOL
CAREFUL CAS STUDY
Independent single sex Day and Boarding School
(B.E.M.L.S. & G.S.A.)
300 pupils 11 to 18 years
Wide range of A level and GCSE Courses
Excellent Sports, Cultural and Recreational facilities
Prospectus from the Secretary or by phone (0223) 28042

HOME LANGUAGE LESSONS
LIVE AND STUDY IN YOUR TEACHER'S HOME
The most original and certainly the most effective way to learn the language of your choice. Total isolation from your own language. This is guaranteed by Home Language Lessons since you LIVE and STUDY in your teacher's home NOT in a school.
Reservations Office, Department FT,
2 Cecil Square, Margate, Kent CT9 1SD, England.
Tel: (0843) 227700 Fax: (0843) 223777 Tel: 04016989
Our Worldwide offices: New York - Tel: 212 6251280
Paris - Tel: 45737388 Frankfurt - Tel: 252040 Munich - Tel: 253608
Flo - Tel: 2245388 Buenos Aires - Tel: 5112116 Costa - Tel: 3445721
HOME LANGUAGE LESSONS, the organizers of the most original and effective language program ever conceived, now offer
RUSSIAN IN MOSCOW AND Leningrad

CITY UNIVERSITY EVENING SHORT COURSE
FORECASTING FOR BUSINESS AND ECONOMICS
The aim of this course is to provide skills required for the use of forecasting techniques to analyse and predict using business data. The course is designed for those with work experience as well as graduates in commerce or business related disciplines. The emphasis is on practical aspects of forecasting and students will have the opportunity to gain hands-on computer experience in the analysis of individual company accounts and stock exchange data. Attendance is one evening per week for 12 weeks. For more information please contact Miss Wendy Hall, 01-253 4399 ext 4536.

SIBFORD School
The positive choice
At Sibford School we go beyond the examination syllabus to create a happy, caring environment in which children are valued and learn to value each other.
• A tradition of boarding care
• Small teaching groups
• New junior school now open
• Long established Day School Unit
• English taught as a foreign language
• Specialist outside/curriculum/overseas Sixth Form
• Age range 9-18 years
A Co-educational Quaker boarding and day school founded in 1842
Apply for further information to:
The Headmaster, Sibford School,
Sibford Park, Dunbury,
Oxfordshire OX15 5QL
Telephone 0295 78441

CIV
A programme geared to tomorrow's world. Your children benefit from high academic standards in a stimulating environment. Civ is a French language school for children of French parents. The school is open to all children of French parents, regardless of their level of French. The school is open to all children of French parents, regardless of their level of French. The school is open to all children of French parents, regardless of their level of French.
Call, or write for information to: Phyllis Basso
Centre International de Vietnam
06555 SOPHIA ANTIPOLIS ET 95 65 33 34 ext. 446

ST GODRIC'S COLLEGE, LONDON
Private Secretarial Course - Intensive and Executive Secretarial Course - Liberal Studies and Secretarial Course
ALL THESE ABOVE INCLUDE WORD PROCESSING
Foreign Shorthands - Languages for Business
Business Studies (including Information Technology)
Sports and Autumn Schoolship Examinations
Apprenticeship Service - Day & Resident Students
2 ABERWORTH ROAD, HAMPSHIRE, LONDON NW3 6AD
Tel 01 435 9531 Telex 25599 Fax 01-435 0530

COURSES AT THE V&A
Spend a leisurely hour exploring the treasures of the Victoria & Albert Museum by joining one of our daily guided tours, or find out more about particular aspects of the collections on our daily gallery talks. Take part in the informal workshops and holiday events for families and children, or enroll on one of our many courses and study days, tailored for those of you who want to learn more about the fine and decorative arts. The Victoria & Albert Museum has something for everyone.
For details call the Education Department on (01) 938 8638

FRENCH LANGUAGE COURSES ON THE FRENCH RIVIERA
• Intensive Courses for Diplomats and Business Executives (8 Hours/day)
• Special Courses for Flight Attendants (6 Hours/day)
• Holiday Courses (4 Hours/day) - Tennis, Golf, Horse-riding, sailing, and Arts (Painting and Engraving)
For further information, please contact:
RENÉE VOUS EN FRANCE! HEC, LES ALGORITHMES, R.P. 189 SOPHIA ANTIPOLIS 0656 FRANCE. TEL: 92 94 48 69 FAX 92 95 50 52

GARDENING

Magical season of many-hued willows

Robin Lane Fox on the beauty of an early spring

MAYBE we will all say for it, but this wonderful March has been a gardeners' dream. I cannot agree with the cautionary voices which think it is unnatural to want the year to begin so normally. Normal behaviour has been pretty awry.

At last, a spring has allowed those of us who do not live in the West Country to see what camellias can achieve outdoors: we have had hundreds of beautifully-fenced white flowers, with not a trace of frost or rain damage, on the admirable Camellia Cornish Snow and Alba plena.

It has been the year of all years to be in winter-flowering plants, early spring bulbs and violets. The magnolias are in flower a month before time — for once, I am not pinning for spring in the Mediterranean and wanting to hibernate a few weeks of the season before it begins here.

The best sights, to my eye, are not primroses nor even older friends, our willow trees. Weeping willows are at the magical stage when they are showing yellow-green young leaves along their trailing branches.

Outlined against last week's sunset, they were one of nature's most dramatic spectacles.

They have been excelled, however, by their lower cousin, the pussy willow. As their buds open into catkins, they are dusted with a golden pollen which is usually unsettled by the weather. On these calm days, it has been pleasing from the grey surrounding for which seems fatter and sadder than ever.

Willows have the stamina to survive in modern hedgerows between the farm-sprays and the council's hedge-trimming. Perhaps our road-planners will make the most of them and make their new network alive with plants and wild flowers.

In gardens, willows ought to have become one of the plants of the decade. Except for weepers, too close to our houses, they have still not

made the breakthrough. They are wild, trouble-free and ecologically appropriate.

They flourish in deliberately-wild gardens and in gardens which are wild because nobody is looking after them. They rival buddleias on bits of land on which British Rail still squats.

There are big willows, glossy willows, furry willows and a willow which was found by a Mr Boyd in Scotland and is remarkably small, an ideal plant for the torture of



There are big willows, glossy willows, furry willows and a willow which is remarkably small

Japanese bonsai.

There is far more to the family than most gardeners realise. Only last year I came across the charms of an almond-leaved willow, *Salix triandra*, which has glossy leaves, opening beside catkins of an extremely strong scent on a warm day it rivals the smell of a scented greenhouse. It is not a rare plant and Hilliers of Winchester sell it, along with the other forms I will mention.

In an orchard, or a wild thicket, I would always choose *Salix gracilistyla* for its silky catkins and leaves: the catkins open with a touch of red, then yellow, and the young leaves are wonderfully grey.

THERE IS more to the willow than most gardeners realise — not surprising, for this is a plant family that has been in a muddle for a long time. The trouble began when botanists decided to make two genera out of what gardeners saw as one but failed to draw a clear distinction to prevent confusion.

They called one family cheiranthus and into this they put the popular spring flowering, richly scented plants which gardeners use for spring displays. The other family they called *crataegus* and this they made much larger, putting into it perhaps as many as 100 species but there has never been widespread agreement about this. So gardeners, left without firmly established names, have tended to shy away from most and concentrate on a few.

Now the *Plant Finder* has taken the matter in hand, not by trying to settle the botanical conundrum, which is not within its competence, but by adopting a firm line of its own and assembling an impressive list of willows under the name *crataegus*, leaving only our old friend the scented willow as *cheiranthus*. No doubt this is not the last word on the matter but if nurserymen and gardeners will follow this list we shall all be able to discuss, purchase and grow willows with much more ease than before.

The common willow, the one we all agree is cheiranthus, grows wild in southern Greece and the islands of the southern Aegean but it has been spread by flower lovers through much of Europe and is naturalised in many of our walls and rocky places in Britain.

Once it gets a root hold it can survive with very little visible soil, though it is probably pushing its tough roots far down into crevices in which it picks up more food and water than you could see.

My other success, one that really does remain in any

Wallflowers: always the odd one out

Arthur Hellyer picks the best of a tricky bunch



plant it in such places but if seed happens to germinate there and the seedlings acquire a root hold, the resultant plants may live far longer than those that have grown fat in well prepared flower beds.

It is generally the common yellow- and bronzy red-flowered varieties that make themselves at home in this way. It is rare for the unusual colours produced by plant breeders to match the stamina of the species. I get a few such plants in stone walls and, though tidier people are constantly trying to remove them after they have done their two-year stint, since good gardeners always treat the common wallflower as a biennial, I do manage to retain a few. In such spartan conditions they become so tough that they can live for many years.

My other success, one that really does remain in any sunny place, is the wallflower I know as Bowles Mauve, not really a good name since mauve suggests a much tamer colour than this assertive anemone-like violet. I have always believed it to be a specially fine form of *Erysimum linifolium*, a species that grows wild in Spain and Portugal, but there does not seem to be any authoritative support for this.

The major fault of Bowles Mauve is that it has scarcely any scent. Its twin merits are its vigour and its extremely extended flowering season, at its peak in spring but continuing intermittently much of the summer. The grey-green foliage also looks smart virtually throughout the year. All it needs is warmth, good drainage and an occasional trim to keep it in shape but it is wise to root a few cuttings each summer just in case your plants decide to die the

following winter. There is no need to argue about the correct botanical name of the Siberian wallflower since the most certain way to get it from seedmen or garden centres is to use this popular name which everyone recognises. It is the wallflower that outshines all the others in brightness of orange colour and also the one that starts flowering a little later and continues a good deal longer than the common wallflower, which makes it an awkward plant for spring display if you want to clear it all away in time for the geraniums and lobelias.

It also lacks the flower size of the ordinary wallflowers though it yields nothing to them in quantity. It is, in short, a fine plant which in the typical wallflower conditions can survive for a few years but is better treated as a biennial and raised from seed each

year. I have never seen it planted with Bowles Mauve but I can imagine the effect will be terrific if you like raw contrasts.

I feel sure there must be more than one double flowered wallflower but the only one I have ever seen and grown is Harper Crew. With me it has never made a really strong plant and has seemed to run out of steam quite quickly. Perhaps it is all those double yellow flowers that put it in need of extra coaxing. There is also the handicap that it produces no seed to must, from the outset, always have been increased by cuttings which bring with them their own problems from the past such as acquired pests and diseases.

Nevertheless Harper Crew is such a beautiful and prestigious plant, so sought after by conservationists, that it will always be around and is always worth trying. If it likes your garden you will be well rewarded.

The same is true of the wallflower I call mutabilis (the *Plant Finder* opts for mutabile and is possibly right) which has the engaging habit of changing its flower colour as it ages, starting yellow and becoming purple. It has produced several varieties of which the two most readily available appear to be Jacob's Jacket, which manages to produce three colours, orange, lilac and bronze, and Wendell Beauty, which combines yellow and bronze.

I find all difficult to retain but that is probably because I have not given them sufficient attention. Much of my garden is far too poorly drained and probably also too acid for the more temperamental wallflowers. I need to create for them specially rocky, sunny, rather limy areas and to make certain that I have young and vigorous plants grown from summer cuttings so that some replacements can be made every year.

Country Note

In the pink: an industry is spawned

Michael Stourton down on the trout farm

TROUT FARMS are a growth industry. Until about 20 years ago there were a mere handful in the UK. There are now more than 600. This astonishing expansion has spawned such activity in the trout farming field that there are now two seats of learning that offer formal qualifications.

The Sparsholt College of Agriculture, near Winchester, Hampshire, operates a Higher

and greater gastronomic sophistication, respectively. Some trout farms have combined the two rather different activities; others not.

The greatest density of trout farms is to be found south of the M4 motorway in Hampshire, Wiltshire and Dorset, because of the need for a constant supply of pure water from chalk or limestone, with an ideal acidity level. With approximately 1m gallons of water per day needed for every 10 tons of fish produced annually, their combined water requirement is phenomenal.

Trout farms must pay for this water use through an abstraction licence issued by the local water authority. They must also possess a discharge licence, which governs the quality of the water that is returned to the river.

In theory, this should look after the problem satisfactorily. In practice there are people — including members of water authorities — who will express, privately perhaps, some nervousness. Their concern is over possible river contamination arising from the waste discharged by the trout themselves. Obviously, the fish are on a heavy artificial feeding regime, designed to achieve maximum live weight gain.

Though accepted as an occupational hazard, the risk of outside water pollution is a constant worry for trout farmers. Most of all, they dread an escape of deadly sludge effluent upstream of the water intake point. Or, an accidental spillage of diesel fuel upriver which may not kill the trout but will certainly taint its flesh. With the sheer concentration of fish maintained in trout farms, pol-

lution in whatever form is likely to have devastating results.

Trout is no longer a delicacy enjoyed by just a few. Today, trout is readily available. Consequently, most fisheries supply fish for the table — not for the restocking of sporting waters. Rainbow trout have a far superior food conversion rate and therefore constitute about 90 per cent of table fish; whereas for restocking the proportion is about half-and-half rainbow and brown trout.

As the fortunate owner of a small spring-fed trout pool, with a natural and abundant supply of freshwater shrimps, I revel in the deep salmon pink of its flesh. Commercially produced table trout, with little or no natural food available is nevertheless, very often of a similar pink hue.

While not exactly advertising the fact, trout farms will admit to colouring fish food. They say that the amount of this additive is small and harmless to humans. The public expects its trout to be pink, so pink it has to be.

'Trout farms admit to colouring fish food. The public expects its trout to be pink, so pink it has to be'

National Diploma course in fish farming and fishery management. The University of Shrewsbury offers a degree course. Gone are the days when retired officers and other late entrants could dabble in what might once have been a gentle and pleasant way of country life. The two strands of demand, restocking for game fishing and the production of table trout, reflect increased leisure

MOTHERS DAY

MOTHERS DAY MEANS

60 glorious Cornish daffodils

by 1st class post

6 varieties "message"

£3.50 (Access/Visa)

Trout Farm, Trout or

ring now (08725) 200 or 608

SHIPPING HER YOUR CARE

To advertise on the

Arts or Leisure

pages

please ring either

Julia Carrick

- 873 3176

Jane Emma Peckles

- 873 3185

GARDENING

ALL YEAR ROUND QUALITY WITH SUPER QUALITY

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

10 to 24.75

ANCIENT OAK CONSTRUCTION

Antique buildings and out-

buildings, garages, granaries,

game rooms, houses, barns

for conversion to dwellings.

All Cobbled, drawn and

laid, then carefully

disassembled. Period buildings

extended, refurbished or

restored.

Please telephone

0273 494192

RAVENHAM GARDENS

Specialising in rare plants and

shrubs, including many species

of Japanese, Chinese, Ap-

patite, Ficus, Scaevola,

Stemodia and many other

plants. Nursery, Plant Centre, Ltd. 40p

(postage) Full details at opening times

Ravenham Gardens, Dept. FT,

Ravenham, Norfolk, NR14 6NS

SOTHEBY'S

FOUNDED 1744

Fine Sporting Guns

LONDON 2ND APRIL 1990 at 11 AM

ON VIEW IN LONDON & SUSSEX

Sporting Guns & Rifles

SUSSEX 12TH APRIL 1990 at 2 PM

ON VIEW IN SUSSEX ONLY

CATALOGUE £10 (UK POSTAGE £1) INCLUDES BOTH SALES

ENTRIES ARE NOW BEING ACCEPTED FOR OUR JULY & AUGUST SALES

ENQUIRIES: ADRIAN WELLS (0405) 783933 OR 01-408 5318

SUMMERS PLACE, BILLINGHAMST,

WEST SUSSEX RH14 9AD

THE PERFECT WORKING ENVIRONMENT

See the new business range of hand tailored suits by Chester Barrie. From £495 at Austin Reed, Regent Street and major branches. If your size is not available in the cloth you want we will make it for you in six weeks.



AUSTIN REED
of Regent Street

474/60/520

HOW TO SPEND IT

The waning of waxed cotton

Peter Gillman on the rise of modern materials in outdoor clothing

A CURIOUSLY eclectic group of journalists gathered at the factory of the Gore-Tex fabric manufacturers near Edinburgh last month. Their professions ranged from Country Walking and the Handgunner to Equestrian Trade News, and their presence marked the opening shots in a campaign described by a Gore-Tex publicist, in moment of candour, as "going for Barbour."

Barbour, of course, is the best-known manufacturer of oiled or waxed cotton clothing in Britain, and has been making its renowned Barbour Thorntree jackets for more than 60 years. Worn by Royalty, stocked by Harrods, the distinctive sage garments have acquired a rugged cachet, fashionable in town and country alike.

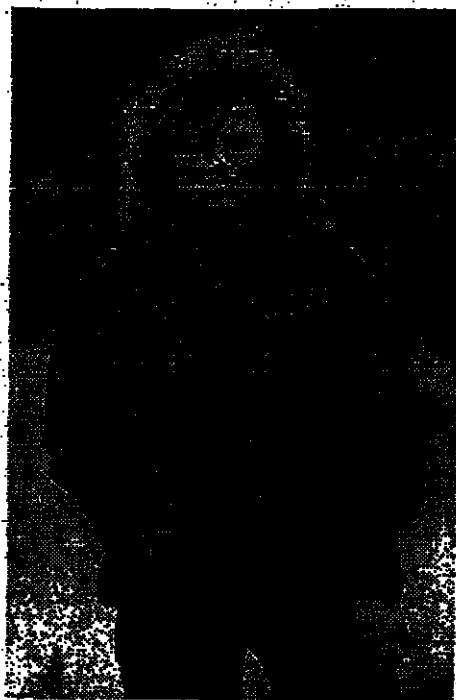
The makers of Gore-Tex, W.L. Gore, may be seen, by contrast, as brash parvenus in the clothing market. Originating from a US wire-manufacturing company, they began selling their fabric in the Britain in the 1970s. They have been promoting themselves lavishly, spending \$750,000 on advertising last winter and backing a British trans-Antarctic expedition and a trial of winter skills to be held in Sweden at the end of March - with all participants, naturally, kitted out in Gore-Tex.

Gore-Tex clothing costs around 50 per cent more than Barbour's and five times as much as some waxed cotton jackets. It has none the less won an impressive number of devotees. Golfers, sailors and mountaineers - myself among them - have come to value one quality above all: its breathability. Where once we became drenched with sweat in nylon or rubber anoraks, Gore-Tex's unique permeable membrane allows the sweat to evaporate away while simultaneously repelling the rain.

In the quest for new markets, Gore has hit upon what is known as countrywear. As account manager Jon Hammond said, this embraces both "the hunting, fishing and shooting market," and readers of *Country Living* and *Country Life*.

The Gore-Tex camp feels that waxed cotton clothing is vulnerable in several ways. It becomes stiff with use and can't be washed; the wax has to be renewed periodically and has a nasty habit of coming off on car seats. Above all - at least as Gore-Tex defines the term - it isn't breathable.

Among the clothing manufacturers bidding for the new range of customers is Phoenix, maker of the Drumbus British Alpine ski tent and well-known among climbers, too. Phoenix designed a Gore-Tex jacket for Hardy Brothers, the up-market angling shop in London's Pall Mall,



five years ago and is now making a similar jacket, the Heath, intended for all fiddis sports.

The Heath, Phoenix, bullishly claims, "easily out-performs waxed cotton." It has chest pockets for "hand warming or gun support," a detachable game pocket, and "no wax to get on your car seat."

A second company entering the fray is Musto, already prominent in the yachting world. It has produced a Gore-Tex Three-Day Event jacket for the equestrian market and a Highland jacket which it describes as "the ultimate all-weather jacket for all forms of shooting." Musto's advertiser, Hugh Marriott, admits that the company is entering "a very conservative market where people are wearing what their grandfathers wore." But, he adds, "we have learned a lot of lessons from the sailing world and will have a 10-year programme."

In addition, there are to be Gore-Tex trousers, shoes, hats, caps - even Gore-Tex socks, made by Bengham, the mountaineering company. Gore also hopes that the new designs will help make Gore-Tex as acceptable for casual outdoor wear as Barbour is.

Barbour, it should be said, is responding to this onslaught with aplomb. Its managing director, Malcolm Sutherland, points out that his people currently wear Barbour clothing, but, presumably, cannot all be wrong. "Our clothing does have disadvantages, but almost every form of

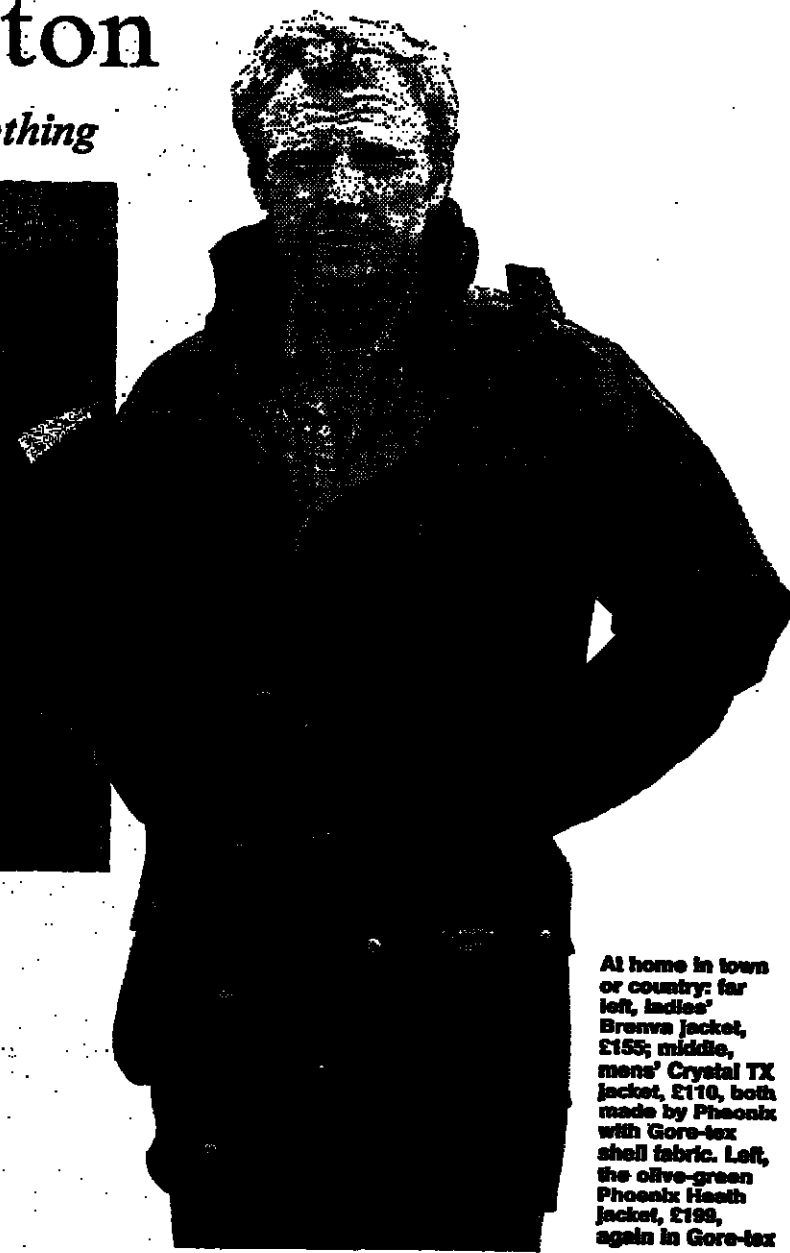
outdoor clothing is a compromise of some sort," he says. "We believe that in terms of comfort, drapes, functionality and cost-effectiveness it offers a reasonable compromise."

Cost is certainly a difficulty Gore-Tex will have to overcome. Barbour's best-selling jackets are the Beaufort, at £87, and the Border, at £98; there are other waxed cotton jackets on sale for as little as £30. The Musto jackets cost from £121 to £155, the Phoenix Heath almost £200. The Gore-Tex jackets will also have to prove themselves thornproof - Barbour's forte.

Sutherland concedes that for breathability, Barbour cannot match Gore-Tex, which he calls "a very fine fabric." Intriguingly, he adds: "We are a forward-looking company and if we find something which offers a comparable range of virtues to oiled cotton we would begin manufacturing in that fabric."

There are undoubtedly tough marketing battles ahead. Gore's move into countrywear was inspired partly by its own expansion dynamic - its staff are called associates, and have a personal stake in its success - and partly by the need to stay ahead in what has become an intensely competitive field, with some 50 breathable fabrics now registered, sporting names such as Aqualex or Pertex.

Gore's most aggressive rival is the German company Alko which has produced a fabric named Sympatex. Alko is spending heavily in Europe -



At home in town or country: far left, ladies' Barbour jacket, £155; middle, mens' Crystal TX jacket, £170, both made by Phoenix with Gore-Tex shell fabric. Left, the olive-green Phoenix Heath jacket, £200, again in Gore-Tex

it is equipping Austria's 10,000 ski instructors with Sympatex suits - and plans to devote almost £1m to promotion in Britain, where its fabric is being used by manufacturers including Karrimor and Craghoppers.

Which fabric is best is a highly technical and controversial matter, with a British standard due later this year. The rough consensus is that Gore-Tex is still ahead in the vital dimension of breathability.

As a mark of its confidence, Gore has just increased its customer guarantee from two years to three, covering both the fabric and the garment design - providing that manufacturers have tested their clothing in the Gore-Tex shower-room, a cabinet which sprays water from all sides in a

close approximation to a Highland storm. Meanwhile several manufacturers have extended the protection that Gore-Tex offers.

In the toughest conditions, when ordinary clothing becomes drenched with sweat, it is best to combine a breathable outer garment with two inner layers, such as thermal-style underwear and an insulated middle layer, which also allow sweat vapour to pass through. There is nothing, of course, to prevent you from buying the layers separately, as I have done myself. Including the Gore-Tex, Musto offers a three-layer package for £215 to £235; and Berghaus is about to launch a three-layer Rainbow system - "providing comfort, warmth and protection for all outdoor activities" - at £180 to £270.

Sounding the (car) alarm

YOU HAVE glass splinters in your finger, a gaping hole in the dashboard and murder in your heart. Some little runt has stolen your car stereo. Now you have to call the police, get a new radio, fix the glass and lose your no-claims bonus. Then you will spend the next six months removing tiny shards of glass from the most tender parts of your anatomy. There must be an easier way to listen to *Desert Island Discs* in motion.

Besides bolting the stereo to the car, what can you do to stop thieves? Alarms are the most effective deterrent, according to the police. "Any visible alarm will put off most thieves," says Detective Paul Regan of Twickenham CID in west London. He was in charge of a local police campaign called Radiocatch, designed to dampen the market for stolen car stereos.

The scheme, modelled on similar initiatives in Merseyside and Brighton, involved bobbies on the beat peering into old vehicles to check the sound system. If, say, a rusty Cortina was found with a system valued at more than the car, questions would be asked. Radiocatch cut the number of thefts. "The word got around that it was no good trying to sell a stolen radio in Twickenham," says Regan.

In most parts of the country, though, and especially London, the market for stolen car radios is buoyant. The thief who puts a brick through your windscreen and whose radio will get about £25 to £50 from a fence for his efforts. The stereo will be sold privately, in a pub or at a car boot sale, for around £50 to £75; perhaps more if it is special.

The makers of stereo systems offer a range of innovative anti-theft devices but none is foolproof. Fixed systems can be removed easily using a special set of "keys" or "pins." These industrial tools slide into the unit and it is removed quickly.

Some systems are designed to be removed from the car by the driver. The idea is to hide it under the seat, lock it in the boot or take it inside. These models are hot favourites in Italy, where it is common to get insurance, and it has become commonplace to see Italian disco-goers dancing around their car stereos. But Peter Evans, a senior engineer with the Automobile Association (AA), warns: "A detachable set is a novelty that wears off. It's not long before you forget to take it out."

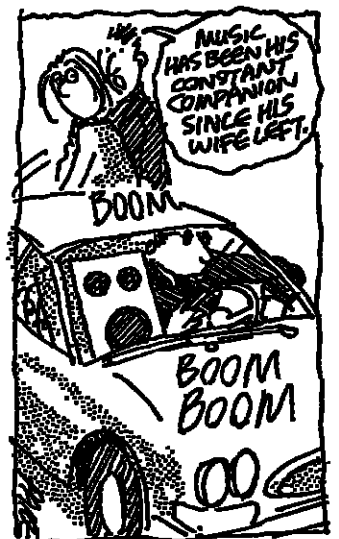
Mike Wells, a founder member of the Car Radio Industry Specialist Association, says detachables are easy to steal on a hot summer's day. "If you're stuck in traffic, someone could distract you and his friend will stick his arm through the open window and whip out the radio. You're not going to give chase in the middle of Knightsbridge." Some expensive systems, such as the F. A. Porsche-designed Grundig, have a compact detachable controller which is small enough to fit into a pocket. But you still have to remember to remove it.

Another deterrent is an electronic lock - a three- or four-digit code stored in a micro-chip within the radio. But the system will work only if the correct numbers are punched in, much as cash machines demand a personal identification number. Still,

if the set is taken by a thief, it is virtually worthless. "There are ways to break the code but it is very difficult," says Evans.

Both Vauxhall and Ford fit coded radios in their cars. The Philips model fitted by Vauxhall has a four-digit code (Ford uses three) and a lock-out time of 32 minutes if the wrong code is entered. This makes it extra-difficult for someone who tries to break the code by guess-work. Vauxhall says the codes have deterred thieves and bases this claim on a reduction in the number of quarter-light windows and replacement radios ordered by dealers.

The big problem with electronic locks, though, is that both the thief and the future buyer have to be made aware of the code. The thief might miss a warning sticker on the window and the buyer is unlikely to know if the radio needs a code. "We have people coming here with these sets but no codes," says Wells. "And if they take it back to the chap in the pub, he's



probably got a couple of his guys with him."

The trend is towards what the trade calls modular systems. Here, the stereo is broken up into its component parts and distributed around the car. The amplifier might be under the seat and the radio in the boot, for example. Expensive systems fitted by installers like Wells are in this form already. And with the increasing use of electronics, it will be possible soon to make the stereo an integral part of the vehicle. Thieves will not be able to whip it out the stereo in a few seconds because it won't exist as a single unit.

Meanwhile, experts agree that the only effective deterrent is a car alarm. Some insurance companies will give a small discount if the car has one, while others insist that cars parked in the street are protected in this way. Alarm technology has improved dramatically and the devices are far more reliable. "I can't recall too many complaints about rogue alarms," says Regan. "But any standard radio in a car without an alarm is up for grabs."

The AA has a list of approved alarms from 24 makers and Evans says you should be prepared to spend about £100 plus fitting charges (around £50). Wells recommends spending a lot more - around £245 - for a quality alarm that takes about half a day to fit.

Peter Knight



SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLAUPUNKT WATCH. AND THERE NEVER WILL BE.

BLAUPUNKT

A Message To The Art Of Watchmaking

A World First. Blaupunkt presents the collection of quartz watches with the world's most accurate quartz movement.

Blauwerk Quartz Collection. Blauwerk 1000, Blauwerk 2000, Blauwerk 3000, Blauwerk 4000, Blauwerk 5000, Blauwerk 6000, Blauwerk 7000, Blauwerk 8000, Blauwerk 9000, Blauwerk 10000, Blauwerk 11000, Blauwerk 12000, Blauwerk 13000, Blauwerk 14000, Blauwerk 15000, Blauwerk 16000, Blauwerk 17000, Blauwerk 18000, Blauwerk 19000, Blauwerk 20000, Blauwerk 21000, Blauwerk 22000, Blauwerk 23000, Blauwerk 24000, Blauwerk 25000, Blauwerk 26000, Blauwerk 27000, Blauwerk 28000, Blauwerk 29000, Blauwerk 30000, Blauwerk 31000, Blauwerk 32000, Blauwerk 33000, Blauwerk 34000, Blauwerk 35000, Blauwerk 36000, Blauwerk 37000, Blauwerk 38000, Blauwerk 39000, Blauwerk 40000, Blauwerk 41000, Blauwerk 42000, Blauwerk 43000, Blauwerk 44000, Blauwerk 45000, Blauwerk 46000, Blauwerk 47000, Blauwerk 48000, Blauwerk 49000, Blauwerk 50000, Blauwerk 51000, Blauwerk 52000, Blauwerk 53000, Blauwerk 54000, Blauwerk 55000, Blauwerk 56000, Blauwerk 57000, Blauwerk 58000, Blauwerk 59000, Blauwerk 60000, Blauwerk 61000, Blauwerk 62000, Blauwerk 63000, Blauwerk 64000, Blauwerk 65000, Blauwerk 66000, Blauwerk 67000, Blauwerk 68000, Blauwerk 69000, Blauwerk 70000, Blauwerk 71000, Blauwerk 72000, Blauwerk 73000, Blauwerk 74000, Blauwerk 75000, Blauwerk 76000, Blauwerk 77000, Blauwerk 78000, Blauwerk 79000, Blauwerk 80000, Blauwerk 81000, Blauwerk 82000, Blauwerk 83000, Blauwerk 84000, Blauwerk 85000, Blauwerk 86000, Blauwerk 87000, Blauwerk 88000, Blauwerk 89000, Blauwerk 90000, Blauwerk 91000, Blauwerk 92000, Blauwerk 93000, Blauwerk 94000, Blauwerk 95000, Blauwerk 96000, Blauwerk 97000, Blauwerk 98000, Blauwerk 99000, Blauwerk 100000, Blauwerk 101000, Blauwerk 102000, Blauwerk 103000, Blauwerk 104000, Blauwerk 105000, Blauwerk 106000, Blauwerk 107000, Blauwerk 108000, Blauwerk 109000, Blauwerk 110000, Blauwerk 111000, Blauwerk 112000, Blauwerk 113000, Blauwerk 114000, Blauwerk 115000, Blauwerk 116000, Blauwerk 117000, Blauwerk 118000, Blauwerk 119000, Blauwerk 120000, Blauwerk 121000, Blauwerk 122000, Blauwerk 123000, Blauwerk 124000, Blauwerk 125000, Blauwerk 126000, Blauwerk 127000, Blauwerk 128000, Blauwerk 129000, Blauwerk 130000, Blauwerk 131000, Blauwerk 132000, Blauwerk 133000, Blauwerk 134000, Blauwerk 135000, Blauwerk 136000, Blauwerk 137000, Blauwerk 138000, Blauwerk 139000, Blauwerk 140000, Blauwerk 141000, Blauwerk 142000, Blauwerk 143000, Blauwerk 144000, Blauwerk 145000, Blauwerk 146000, Blauwerk 147000, Blauwerk 148000, Blauwerk 149000, Blauwerk 150000, Blauwerk 151000, Blauwerk 152000, Blauwerk 153000, Blauwerk 154000, Blauwerk 155000, Blauwerk 156000, Blauwerk 157000, Blauwerk 158000, Blauwerk 159000, Blauwerk 160000, Blauwerk 161000, Blauwerk 162000, Blauwerk 163000, Blauwerk 164000, Blauwerk 165000, Blauwerk 166000, Blauwerk 167000, Blauwerk 168000, Blauwerk 169000, Blauwerk 170000, Blauwerk 171000, Blauwerk 172000, Blauwerk 173000, Blauwerk 174000, Blauwerk 175000, Blauwerk 176000, Blauwerk 177000, Blauwerk 178000, Blauwerk 179000, Blauwerk 180000, Blauwerk 181000, Blauwerk 182000, Blauwerk 183000, Blauwerk 184000, Blauwerk 185000, Blauwerk 186000, Blauwerk 187000, Blauwerk 188000, Blauwerk 189000, Blauwerk 190000, Blauwerk 191000, Blauwerk 192000, Blauwerk 193000, Blauwerk 194000, Blauwerk 195000, Blauwerk 196000, Blauwerk 197000, Blauwerk 198000, Blauwerk 199000, Blauwerk 200000, Blauwerk 201000, Blauwerk 202000, Blauwerk 203000, Blauwerk 204000, Blauwerk 205000, Blauwerk 206000, Blauwerk 207000, Blauwerk 208000, Blauwerk 209000, Blauwerk 210000, Blauwerk 211000, Blauwerk 212000, Blauwerk 213000, Blauwerk 214000, Blauwerk 215000, Blauwerk 216000, Blauwerk 217000, Blauwerk 218000, Blauwerk 219000, Blauwerk 220000, Blauwerk 221000, Blauwerk 222000, Blauwerk 223000, Blauwerk 224000, Blauwerk 225000, Blauwerk 226000, Blauwerk 227000, Blauwerk 228000, Blauwerk 229000, Blauwerk 230000, Blauwerk 231000, Blauwerk 232000, Blauwerk 233000, Blauwerk 234000, Blauwerk 235000, Blauwerk 236000, Blauwerk 237000, Blauwerk 238000, Blauwerk 239000, Blauwerk 240000, Blauwerk 241000, Blauwerk 242000, Blauwerk 243000, Blauwerk 244000, Blauwerk 245000, Blauwerk 246000, Blauwerk 247000, Blauwerk 248000, Blauwerk 249000, Blauwerk 250000, Blauwerk 251000, Blauwerk 252000, Blauwerk 253000, Blauwerk 254000, Blauwerk 255000, Blauwerk 256000, Blauwerk 257000, Blauwerk 258000, Blauwerk 259000, Blauwerk 260000, Blauwerk 261000, Blauwerk 262000, Blauwerk 263000, Blauwerk 264000, Blauwerk 265000, Blauwerk 266000, Blauwerk 267000, Blauwerk 268000, Blauwerk 269000, Blauwerk 270000, Blauwerk 271000, Blauwerk 272000, Blauwerk 273000, Blauwerk 274000, Blauwerk 275000, Blauwerk 276000, Blauwerk 277000, Blauwerk 278000, Blauwerk 279000, Blauwerk 280000, Blauwerk 281000, Blauwerk 282000, Blauwerk 283000, Blauwerk 284000, Blauwerk 285000, Blauwerk 286000, Blauwerk 287000, Blauwerk 288000, Blauwerk 289000, Blauwerk 290000, Blauwerk 291000, Blauwerk 292000, Blauwerk 293000, Blauwerk 294000, Blauwerk 295000, Blauwerk 296000, Blauwerk 297000, Blauwerk 298000, Blauwerk 299000, Blauwerk 300000, Blauwerk 301000, Blauwerk 302000, Blauwerk 303000, Blauwerk 304000, Blauwerk 305000, Blauwerk 306000, Blauwerk 307000, Blauwerk 308000, Blauwerk 309000, Blauwerk 310000, Blauwerk 311000, Blauwerk 312000, Blauwerk 313000, Blauwerk 314000, Blauwerk 315000, Blauwerk 316000, Blauwerk 317000, Blauwerk 318000, Blauwerk 319000, Blauwerk 320000, Blauwerk 321000, Blauwerk 322000, Blauwerk 323000, Blauwerk 324000, Blauwerk 325000, Blauwerk 326000, Blauwerk 327000, Blauwerk 328000, Blauwerk 329000, Blauwerk 330000, Blauwerk 331000, Blauwerk 332000, Blauwerk 333000, Blauwerk 334000, Blauwerk 335000, Blauwerk 336000, Blauwerk 337000, Blauwerk 338000, Blauwerk 339000, Blauwerk 340000, Blauwerk 341000, Blauwerk 342000, Blauwerk 343000, Blauwerk 344000, Blauwerk 345000, Blauwerk 346000, Blauwerk 347000, Blauwerk 348000, Blauwerk 349000, Blauwerk 350000, Blauwerk 351000, Blauwerk 352000, Blauwerk 353000, Blauwerk 354000, Blauwerk 355000, Blauwerk 356000, Blauwerk 357000, Blauwerk 358000, Blauwerk 359000, Blauwerk 360000, Blauwerk 361000, Blauwerk 362000, Blauwerk 363000, Blauwerk 364000, Blauwerk 365000, Blauwerk 366000, Blauwerk 367000, Blauwerk 368000, Blauwerk 369000, Blauwerk 370000, Blauwerk 371000, Blauwerk 372000, Blauwerk 373000, Blauwerk 374000, Blauwerk 375000, Blauwerk 376000, Blauwerk 377000, Blauwerk 378000, Blauwerk 379000, Blauwerk 380000, Blauwerk 381000, Blauwerk 382000, Blauwerk 383000, Blauwerk 384000, Blauwerk 385000, Blauwerk 386000, Blauwerk 387000, Blauwerk 388000, Blauwerk 389000, Blauwerk 390000, Blauwerk 391000, Blauwerk 392000, Blauwerk 393000, Blauwerk 394000, Blauwerk 395000, Blauwerk 396000, Blauwerk 397000, Blauwerk 398000, Blauwerk 399000, Blauwerk 400000, Blauwerk 401000, Blauwerk 402000, Blauwerk 403000, Blauwerk 404000, Blauwerk 405000, Blauwerk 406000, Blauwerk 407000, Blauwerk 408000, Blauwerk 409000, Blauwerk 410000, Blauwerk 411000, Blauwerk 412000, Blauwerk 413000, Blauwerk 414000, Blauwerk 415000, Blauwerk 416000, Blauwerk 417000, Blauwerk 418000, Blauwerk 419000, Blauwerk 420000, Blauwerk 421000, Blauwerk 422000, Blauwerk 423000, Blauwerk 424000, Blauwerk 425000, Blauwerk 426000, Blauwerk 427000, Blauwerk 428000, Blauwerk 429000, Blauwerk 430000, Blauwerk 431000, Blauwerk 432000, Blauwerk 433000, Blauwerk 434000, Blauwerk 435000, Blauwerk 436000, Blauwerk 437000, Blauwerk 438000, Blauwerk 439000, Blauwerk 440000, Blauwerk 441000, Blauwerk 442000, Blauwerk 443000, Blauwerk 444000, Blauwerk 445000, Blauwerk 446000, Blauwerk 447000, Blauwerk 448000, Blauwerk 449000, Blauwerk 450000, Blauwerk 451000, Blauwerk 452000, Blauwerk 453000, Blauwerk 454000, Blauwerk 455000, Blauwerk 456000, Blauwerk 457000, Blauwerk 458000, Blauwerk 459000, Blauwerk 460000, Blauwerk 461000, Blauwerk 462000, Blauwerk 463000, Blauwerk 464000, Blauwerk 465000, Blauwerk 466000, Blauwerk 467000, Blauwerk 468000, Blauwerk 469000, Blauwerk 470000, Blauwerk 471000, Blauwerk 472000, Blauwerk 473000, Blauwerk 474000, Blauwerk 475000, Blauwerk 476000, Blauwerk 477000, Blauwerk 478000, Blauwerk 479000, Blauwerk 480000, Blauwerk 481000, Blauwerk 482000, Blauwerk 483000, Blauwerk 484000, Blauwerk 485000, Blauwerk 486000, Blauwerk 487000, Blauwerk 488000, Blauwerk 489000, Blauwerk 490000, Blauwerk 491000, Blauwerk 492000, Blauwerk 493000, Blauwerk 494000, Blauwerk 495000, Blauwerk 496000, Blauwerk 497000, Blauwerk 498000, Blauwerk 499000, Blauwerk 500000, Blauwerk 501000, Blauwerk 502000, Blauwerk 503000, Blauwerk 504000, Blauwerk 505000, Blauwerk 506000, Blauwerk 507000, Blauwerk 508000, Blauwerk 509000, Blauwerk 510000, Blauwerk 511000, Blauwerk 512000, Blauwerk 513000, Blauwerk 514000, Blauwerk 515000, Blauwerk 516000, Blauwerk 517000, Blauwerk 518000, Blauwerk 519000, Blauwerk 520000, Blauwerk 521000, Blauwerk 522000, Blauwerk 523000, Blauwerk 524000, Blauwerk 525000, Blauwerk 526000, Blauwerk 527000, Blauwerk 528000, Blauwerk 529000, Blauwerk 530000, Blauwerk 531000, Blauwerk 532000, Blauwerk 533000, Blauwerk 534000, Blauwerk 535000, Blauwerk 536000, Blauwerk 537000, Blauwerk 538000, Blauwerk 539000, Blauwerk 540000, Blauwerk 541000, Blauwerk 542000, Blauwerk 543000, Blauwerk 544000, Blauwerk 545000, Blauwerk 546000, Blauwerk 547000, Blauwerk 548000, Blauwerk 549000, Blauwerk 550000, Blauwerk 551000, Blauwerk 552000, Blauwerk 553000, Blauwerk 554000, Blauwerk 555000, Blauwerk 556000, Blauwerk 557000, Blauwerk 558000, Blauwerk 559000, Blauwerk 560000, Blauwerk 561000, Blauwerk 562000, Blauwerk 563000, Blauwerk 564000, Blauwerk 565000, Blauwerk 566000, Blauwerk 567000, Blauwerk 568000, Blauwerk 569000, Blauwerk 570000, Blauwerk 571000, Blauwerk 572000, Blauwerk 573000, Blauwerk 574000, Blauwerk 575000, Blauwerk 576000, Blauwerk 577000, Blauwerk 578000, Blauwerk 579000, Blauwerk 580000, Blauwerk 581000, Blauwerk 582000, Blauwerk 583000, Blauwerk 584000, Blauwerk 585000, Blauwerk 586000, Blauwerk 587000, Blauwerk 588000, Blauwerk 589000, Blauwerk 590000, Blauwerk 591000, Blauwerk 592000, Blauwerk 593000, Blauwerk 594000, Blauwerk 595000, Blauwerk 596000, Blauwerk 597000, Blauwerk 598000, Blauwerk 599000, Blauwerk 600000, Blauwerk 601000, Blauwerk 602000, Blauwerk 603000, Blauwerk 604000, Blauwerk 605000, Blauwerk 606000, Blauwerk 607000, Blauwerk 608000, Blauwerk 609000, Blauwerk 610000, Blauwerk 611000, Blauwerk 612000, Blauwerk 613000, Blauwerk 614000, Blauwerk 615000, Blauwerk 616000, Blauwerk 617000, Blauwerk 618000, Blauwerk 619000, Blauwerk 620000, Blauwerk 621000, Blauwerk 622000, Blauwerk 623000, Blauwerk 624000, Blauwerk 625000, Blauwerk 626000, Blauwerk 627000, Blauwerk 628000, Blauwerk 629000, Blauwerk 630000, Blauwerk 631000, Blauwerk 632000, Blauwerk 633000, Blauwerk 634000, Blauwerk 635000, Blauwerk 636000, Blauwerk 637000, Blauwerk 638000, Blauwerk 639000, Blauwerk 640000, Blauwerk 641000, Blauwerk 642000, Blauwerk 643000, Blauwerk 644000, Blauwerk 645000, Blauwerk 646000, Blauwerk 647000, Blauwerk 648000, Blauwerk 649000, Blauwerk 650000, Blauwerk 651000, Blauwerk 652000, Blauwerk 653000, Blauwerk 654000, Blauwerk 655000, Blauwerk 656000, Blauwerk 657000, Blauwerk 658000, Blauwerk 659000, Blauwerk 660000, Blauwerk 661000, Blauwerk 662000, Blauwerk 663000, Blauwerk 664000, Blauwerk 665000, Blauwerk 666000, Blauwerk 667000, Blauwerk 668000, Blauwerk 669000, Blauwerk 670000, Blauwerk 671000, Blauwerk 672000, Blauwerk 673000, Blauwerk 674000, Blauwerk 675000, Blauwerk 676000, Blauwerk 677000, Blauwerk 678000, Blauwerk 679000, Blauwerk 680000, Blauwerk 681000, Blauwerk 682000, Blauwerk 683000, Blauwerk 684000, Blauwerk 685000, Blauwerk 686000, Blauwerk 687000, Blauwerk 688000, Blauwerk 689000, Blauwerk 690000, Blauwerk 691000, Blauwerk 692000, Blauwerk 693000, Blauwerk 694000, Blauwerk 695000, Blauwerk 696000, Blauwerk 697000, Blauwerk 698000, Blauwerk 699000, Blauwerk 700000, Blauwerk 701000

Property

Breaking the home loan/debt cycle

John Brennan sees signs of what may be a radical change in the way we finance house purchases

HOME BUYING and getting into debt are, for many, synonymous. Yet two so closely linked activities which combine up such distasteful images, even today, home buying remains a security and prudent planning exercise for the future. In contrast to the fact that 2.5m households are in arrears on loan repayments, "getting into debt" remains a negative as the preserve of the reckless.

It is only when the gloss of a rising property market is rubbed off that the myth of the 2.5m of personal debt that supports the housing market shows through, and tales of possessions and of over-committed mortgage payers out the usual language of house price movements.

One man who believes that there could be an alternative to debt-financed housing has been received by City's financial institutions with politeness and scepticism in equal measure. John Tomlinson has the air of an inventor whose better mousetrap has been sent to work, but who is having a slow time getting hardware stores to stock it. Having exchanged a career on the New York Stock Exchange for life in an Oxfordshire village researching the impact on inflation of money lending institutions, Tomlinson's lending institutions across the road for proof of his thesis that lenders prime inflation, as well as evidence of the need for a fresh approach to home finance.

There was a small house that a widow had originally bought for £300. When she died, it was auctioned for £78,000. There was no relation to the earnings of a local family, so how can people in the community afford it? The answer is that they can't. It's sold outside the village and that's a serious problem for the community.

Yes, see it across the country. The people who, 20 or 30 years ago, would have expected to buy their homes and still have the money to live comfortably, to send their children to private school and take good holidays, are now having to scrape up the money to buy a smaller property and to keep up interest payments. They don't have the same standard of living.

During periodic price dips, decades of rising house prices have required generations of home buyers to commit a increasing proportion of their income to enter the market. Once in, owners have been able to ride price rises and accumulate housing equity.

Sadly, that personal housing wealth, now averages just under

£40,000 per property - £200bn in all. The release of this by remortgaging, use as other loan security or through inheritances, has tended to boost consumer spending and building society and bank deposits. And while windfall inheritances may well recirculate into housing through more mortgage loans, all that does is to convert the equity into another tranche of housing debt.

It's a vicious circle that adds to Tomlinson's view that the lending cycle is the prime motor of inflation. So he explored the alternative home financing schemes available, spotted a gap, and set about filling it. His invention is the Equity Participation Housing Fund, essentially a flexible way of injecting equity finance into the equation.

Technically, the Fund takes the form of an exempt property unit trust. Institutional unit holders invest in the Fund, the Fund's managers in their turn offer that cash to individual home buyers to participate in their purchase. The fund pays for between 10 and 50 per cent of the property and the home-buyer pays rent on that share - paying 3 per cent of the Fund's proportion of an open market valuation that is revalued every three years.

Who benefits? Well, the buyer gets the option to buy more property for his or her money at an

affordable financing cost. These individual part-owners can buy-out some, or all of the Fund's share at any time with only limited initial restrictions to protect the value of the Fund's share of the property. The Fund's unit holders get an investment backed by a spread of residential properties owned by owner-occupiers, rather than by potentially less house-prudent rental occupiers.

Turning the theory into practice involves winning those institutional investors' interest in residential property as an appreciating asset. The revaluations provide a notional worth for the Fund's property book, and these values are translated into cash as homes are sold and the resale price divided according to the owner and the Fund's share of the property.

John Tomlinson's problem in winning institutional support may be that the idea is too obvious. Fund managers lined up by the Fund's sponsors at Jones Lang Wootton's financial services operation have been frightened-off by the property market's present problems, or have walked sceptically around the scheme wondering where the catch is.

Tomlinson's conviction is understandable enough - he does have a fund to launch. But across the housing market isolated efforts to break

the link between individual debt and home purchase are beginning to point to what has, thus far, been a largely unremarked revolution in housing finance: alternatives to traditional mortgages. Today you would be hard put to find a building site where buyers are not now being offered every variation on a price discount.

Part exchange schemes take the problem of selling existing homes off the hands of prospective buyers; low-start mortgages with developer subsidies fix the costs of purchase for first timers, for a while; direct cash support schemes cut the cost of borrowing; and a far wider range of equity share purchase schemes offer buyers the chance to purchase as much of the property as they can afford now, against a commitment to buy the rest later.

However well presented these builder-incentives may be, they are innovative marketing schemes rather than an effort to change the financial side of the buyer-seller relationship. Their real importance is the speed with which they have become accepted.

Until late last year most of the work done to create affordable housing finance schemes was limited to complicated funding arrangements related to social hous-

ing projects. Other options have tended to be spun out from an unchallenged principle of would-be homeowners borrowing to buy.

The change in recent months is that housebuilders' marketing initiatives have made a vastly wider range of UK homebuyers aware that it is possible to buy a house or flat without committing oneself to two or more decades of contractual debt. In less than two months the pioneering move by Fairclough Homes to offer a 50 per cent purchase plan, initially in partnership with Abbey National at London's Cyclone Wharf and later with the Cheltenham & Gloucester Building Society on King & Queen Wharf in Rotherhithe, has sparked a developer reaction that now makes it hard for new, mid-market priced flats in London to be sold any other way.

Fairclough's successful sales initiatives were given extra momentum by Regalian Properties' decision to sell its entire residential portfolio on a similar 50 per cent now, 50 per cent later basis. Fellow developer Rosehaugh Co-Partnership's additional twist of including a guaranteed buy-back price for its half-price buyers has helped to extend what is, in effect, a part-deferred purchase option, to its logical conclusion. Under Rosehaugh's scheme tomorrow's capital growth is not merely promised, but underwritten.

However, even the brightest of these sales campaigns leaves intact the underlying assumption that, at some point, the occupier will be expected to hand over the full cost of their property and be slotted back into line with the mortgage-paying homeowners. But there is an impending housing crisis which screams out for alternative purchase options to become a permanent part of the home purchase scene.

With a few honourable exceptions, precious few of the organisations which make their living from the residential market have even noticed, let alone remarked upon the gap between buyers' incomes and the cost of new homes. It is easy to assume that this gap doesn't exist. House price analysis is still largely based on the historic direct relationship between property values, incomes and home loans. Blend into this equation buyers' willingness to borrow more or less, depending upon their confidence in the likelihood of future rises in value, add an extra flavouring of savings and inherited wealth, and you have the elements that have determined the price of houses and flats in the past. The same elements would apply in the future as well - if the supply of houses and flats was more-or-less in line with

the number of buyers. The problem in the 1990s is that, although the amount of new building is expected to be in line with the demand for homes, with planning constraints keeping supply trading demand by just enough to keep prices rising, these familiar approaches to the UK residential market fail to allow for housing standards.

Buildings don't last forever. Home buyers of the 1990s are being expected to pay more for a housing stock that is well past its prime. And they are being expected to borrow to buy, and then to borrow more to re-use properties.

A current demolition rate of just 10,000 to 12,000 homes each year guarantees the progressive dilapidation of the UK housing stock. At that replacement rate properties designed for a 20- or 30-year lifespan seem to be expected to last for nearly 2,000 years before demolition. And it would call for a awful lot of patching and repairs to make a 1990s estate "semi" hold out until the year 3050.

If new homes could be constructed for the price of used properties this affordability problem would not exist. Replacement properties could fill the gaps as the old reach the end of their lives. But the real world is not as tidy as that. The rate of increase in building material and labour costs has consistently outpaced the general inflation rate. And owners have become used to better housing standards that fit the changed needs of different generations of households.

The converse of this, of course, is that despite their increasing price premium over older properties, new homes still have to be constructed with a close eye to the current resale price of used ones to be able to compete.

That is the final link in this vicious circle, because it allows the rate of housing replacement and limits builders to producing lower quality properties than they might, thus compounding the eventual dilapidation problem.

More equity participation at the start of the home buying cycle, rather than a build-up of housing equity build-up at the end, would be one way of releasing the cash necessary to break through to making a serious start on replacing, rather than patching-up, UK housing. And while Fairclough and Regalian are unlikely to regard their half share offers as more than inventive sales campaigns, they may well have given the publicity boost needed to persuade the City banks that home buyers in the '90s wouldn't be adverse to finding an equity option to ease the burden of housing debt.

Those were the days . . .

FRED GRESSWELL and Sydney Denham would have enjoyed the news that The Old Nursery in Dunster Church Street is on the market for £175,000. Forty years ago they paid barely twice that sum for the entire Somerset town of Dunster, its High Castle and for the Dunster estate's 9,000 acres.

Funded by Eagle Star, and following a pattern of property dealing that makes today's real estate stars look positively leaden-footed, Gresswell - whose Bradford Property Trust remains as witness to his extraordinary mid-war rags to riches story - together with agricultural land specialist Denham, stepped in at Dunster when an undue interest in the gaming tables over-stretched the estate-owning

family's cash resources.

Buying through an off-the-shelf company called Ashdale Land and Property, Gresswell, Denham and their funding partner Eagle Star snapped up the estate. Ashdale handed Dunster's famous but dilapidated High Street Yarn Mart to the National Trust. And, in a matter of weeks - in a deal done by discreet word of Equestrian, and which received no publicity at the time, or since - the traders learnt that King George VI had taken quite a fancy to this particular stretch of Somerset hunting, shooting and fishing territory.

A deal was struck, the Dunster purchase was fully financed from the sale of the land, and the Crown became the new land owners. That left Ashdale with the town - apart

from the Inn in the High Street - which it sold piecemeal to the tenants, and in blocks. It was one of the classic, unsexy property deals.

The Old Nursery, right, is a particularly ancient piece of this feudal township. It's a three storey medieval town house and while its history pre-1346 is obscure, that is the date when Sir Hugo Fero of Oaktrow handed the deeds of the place to Cleeve Abbey, whose Cistercian monks used it as a visitors' guest house. Now it is a Grade II-listed, recently refurbished four bedroom house with a small patio garden and it sits on the books of Strutt & Parker's Dunster office (0823-577261) at that freehold guide price of £175,000.



FIRST TIME BUYER? CASH BUYER? INVESTING IN PROPERTY?

The Regalian 50/50 Home Purchase Plan has worked for these buyers:

"I was a cash buyer. Thanks to the Regalian 50/50 plan I have my new London Home, while half my money is still in the bank working for me."

MR. DALE, FLORIN COURT

"I'm an investor. The Regalian 50/50 plan means I can virtually double my rental return."

MR. DAVIES, CROWN LODGE

"I've got my new property and I'm saving money every month. The 50/50 plan means I have a much smaller mortgage."

JENNIE SMITH, THE FALCONS

How? because Regalian has a wide choice of Central London locations and the 50/50 Plan means you can buy now.

REGALIAN PROPERTIES IN CENTRAL LONDON

QUAY 430
Vauxhall Way, Wapping, E.1.
£64,500 to £160,000*

GLADSTONE COURT
Regency Street, Westminster, S.W.1.
£32,000 to £43,500*

FREE TRADE WHARF
The Highway, Wapping, E.1.
£75,000 to £121,500*

SILVER WALK
Rotherhithe Street, S.E.16.
£68,750 to £92,500*

MACREADY HOUSE
75 Crawford Street, W.1.
£44,500 to £180,000*

ELM QUAY
Nine Elms Lane, S.W.8.
£90,000 to £136,500*

CROWN LODGE
Elystan Street, Chelsea, S.W.3.
£106,500 to £204,000*

*The half price payable now.

For further information visit any of the development offices below between 10am-5pm weekdays and 11am-5pm weekends. Or telephone for a brochure on 01-847 7711

REGALIAN 50/50
HOME PURCHASE PLAN

Sales Agents: **RADIUS**

ANNOUNCING OUR SMALLEST OFFER YET FOR A LUXURY HOME IN NORTH WEST LONDON



5% MORTGAGES FOR THE FIRST YEAR*

If you're looking for an affordable, luxury home in a superb location, look no further than Elsinore Gardens. For owners we're making a short term offer with long term benefits. 5% non-deferred mortgages for the first year up to £100,000. The saving is enormous.

Elsinore Gardens is located in one of North West London's most prestigious areas. This new style development by Dancon Homes is a tribute to Scandinavian design and craftsmanship. Beautiful town houses and apartments overlooking a period style courtyard, mellowed by soft lighting and mature landscaping.

For a stylish home with a stylish offer to match, call Ellis & Co at any of the branches listed below.

TYPICAL APR 15.8%

*Your monthly payments are at the standard rate. We calculate the subsidy and pay it into your mortgage account so that you only pay a 5% rate. Mortgages subject to status. No fees charged on endowment, pension linked, or mortgage protected policies. 1% arrangement fee on standard mortgage. Rate reverts to prevailing level after first year. Your home is at risk if you do not keep up repayments on a mortgage, or other loan secured on it.

SHOWHOUSE NOW OPEN

STUDIO FLATS FROM £67,500
TOWN HOUSES FROM £135,000

Ellis & Co

82 Golders Green Road, London NW11 6LN
Tel: 01-455 1014
Fax: 01-455 2141

Finchley 01-549 3131 Highgate 01-545 4444

Hampstead Garden Suburb 01-458 8445

Kenilworth 01-804 3300 Maida Vale 01-625 8435

MU 011 01-899 3261 Swiss Cottage 01-723 0011

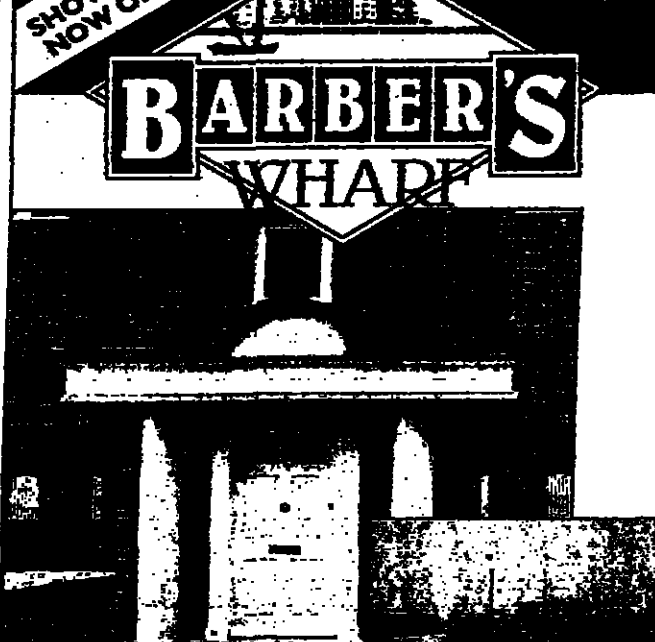
DANCON

Royal Berkshire Windsor 4 miles London 20 miles Heathrow

An unprecedented opportunity to acquire an immaculately restored early Georgian English Country House. The property is totally secluded yet within 40 miles of the capital. Ideally suited for a corporate base or private living. The property has recently been subject to a complete refurbishment programme and offers immaculate formal accommodation. Gallery entrance hall, 5 Reception Rooms, Conservatory, 7 Bedrooms, 7 Bathrooms, Indoor Swimming Pool complex, Staff Flat, Staff Bungalow, Game Lodge, Clay Pigeon Shoot, Stables, Dressage Arena. Full Security. Situated within 20 acres of formal gardens and paddocks. Substantial Funds required for the freehold.

Write Box T6797, Financial Times, One Southwark Bridge, London SE1 9EL

SHOW FLAT NOW OPEN POOLE QUAY DORSET



The Quay to the door!

A "Waterside Haven" overlooking Poole Quay. Luxuriously appointed Two Bedroom apartments.

- ◆ Ample private parking
- ◆ Porter/Concierge service
- ◆ Lifts
- ◆ Remote Control Entry Gates
- ◆ Comprehensive Purchase - Assistance schemes:
 - Mortgage Subsidy*
 - Partnership Mortgages*
 - Equity Share*
 - Inflation Guarantee*

Downland

Downland Homes Ltd, 4 Northgate, Colchester CO1 1AT. Tel: (0243) 774416

Show Home open 10.00 am - 5.00 pm daily.

Telephone (0202) 683084 for further details.

THE BEST ADDRESS ON HAMPSTEAD HEATH

A choice of 4 highly individual units in this unique development on the Heath

All flats benefit from Poggenpohl kitchens
Marble tiled bathrooms
close to all amenities

2 bedroom apartments from £144,500
3 Bedroom Maisonnettes from £229,500

Aspen Estates
Tel 01-586-2215 01-483-2634
or Fax 01-722-2788

01-847 7711

An aerial, black and white photograph of a village. In the foreground, a large, multi-story building with a gabled roof, likely a church or school, is prominent. To its right, a smaller, single-story building is visible. In the background, a large, multi-story building with a central tower, possibly a church or school, is surrounded by other smaller buildings and trees. The overall scene depicts a small, rural settlement.

Ideal Homes

Prices and availability correct at time of going to press.

Sales office open daily 10am to 5pm.

**NORWAY DOCK, REDRIFF ROAD.
SURREY QUAYS, LONDON SE16.
TELEPHONE: 01-237 9007**

1. *Journal of the American Medical Association*, 1997; 277: 1033-1036.

**THE PIANISSIMO OF CHELSEA
WITHOUT THE
FORTISSIMO OF KINGS ROAD.**

Quiet, private courtyard.
Houses from £245,000.
Ring 01-551 9151
for a private viewing.
CHARLES II PLACE.

STRUTT & PARKER
100 MILL STREET, MANCHESTER, M1 2JL
01-629 7282

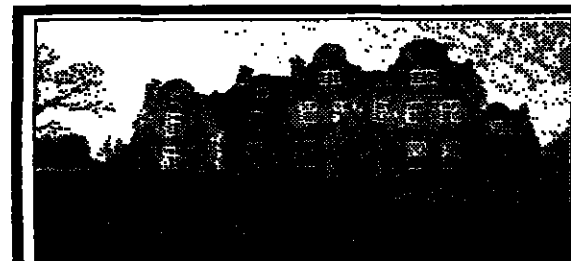


SOUTH CHESHIRE - Near Nantwich, Chester 18 miles.
Manchester 30 miles. (M6) 10 miles. Crewe 6 miles (intercity to
London 2 hrs). A superb country house with lovely gardens in an
attractive unspoilt rural area close to good national
communications. 4 reception rooms, master bedroom, 3 further
bedrooms, 2 bathrooms, 2 bedroomed self-contained wing.
Outbuildings. Well maintained gardens. Paddock. About 5 acres.
Region £450,000. Chester Office: Tel. (0244) 320747.



HERTFORDSHIRE - Little Gaddesden, M1 (J8) 7 miles, M25
(J20) 9 miles. Hemel Hempstead 5 miles. Berkhamstead 3 miles.
Berkhamstead/Euston 25 minutes. A substantial Grade II Listed
house dating from the 19th Century. Reception hall, drawing
room, dining room, sitting room, family/playroom, gun room, boot
room, 7 bedrooms, 3 bathrooms, shower room. Gardens and
grounds. About 33 acres. Region £650,000. St. Albans Office:
Tel. (0727) 40285.

SAVILLS

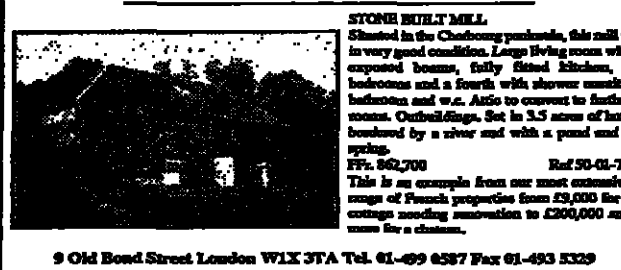


ESSEX - Near Thorpe-le-Soken
Thorpe-le-Soken 3 miles, A120, 3 miles. Colchester 15 miles.
A fine Jacobean country house with exceptional gardens.
4 reception rooms, 5 principal bedrooms, 3 secondary bedrooms,
4 bathrooms.
Oil central heating. Cellars. Noteworthy brick barns.
Walled garden. Small lake.
About 17 acres.
2 cottages available if required.
Contact: John Gibson.

(0245) 269311

136 London Road, Chelmsford,
Essex CM2 0RQ

ANDRÉ LANAUVER & Co



9 Old Road, London W1X 3TA Tel. 01-499 6287 Fax 01-493 3329

PARKSIDE, KNIGHTSBRIDGE, SW1



A selection of magnificent three and four bedroomed
apartments in this fine Edwardian block, featuring
stunning views directly over Hyde Park, large
entertaining rooms and 24 hour uniformed porterage.
Each flat provides, 2/3 reception, 3/4 bedrooms,
3 bathrooms and kitchen/breakfast room.
To let furnished. Prices from £250.00 per week.

**MELLERSH
& HARDING**

CONSULTANT SURVEYORS & REAL ESTATE AGENTS
43 ST. JAMES'S PLACE - LONDON SW1A 1PA
TEL: 01-499 0866 - TELEFAX: 29310 - FAX: 01-498 1367

PUTNEY HEATH, London SW15

A most impressive and lavishly appointed detached family house
set in secure grounds of one quarter of an acre.
Reception hall, drawing room, dining room, master bedroom with
en-suite bathroom and dressing room, 6 further bedrooms and 2
further bathrooms, kitchen/breakfast room, conservatory, study,
guest cloakroom, 5/6 car garage, lawned and well stocked garden.
FREEHOLD
BLACK HORSE AGENCIES
Putney Heath Reg
01-788 7884

Region of £1 million
SAVILLS
01-730 0822



**CHARLES II PLACE.
A PEARL IN THE
OYSTER OF CHELSEA.**

Precious stones included. Very
special houses from £245,000. Ring
01-551 9151 for a private viewing.
CHARLES II PLACE.

LAURELS
WATERLOO, LONDON SW1

UNSURPASSED QUALITY AND SOPHISTICATION

Ocean Group have established an excellent reputation
for building quality homes for the discerning
buyer in superb locations. The Laurels is no
exception.
There are just three individually designed five
bedroom, three bathroom houses situated in a
private residential setting in one of Chelsea's
premier residential areas.
The town centre is close by and the local station
within easy walking distance (Waterloo 40 mins).
Each of these impressive properties is highly
specified and built to exacting standards. To fully
appreciate why our houses are so special visit
our fully furnished showhouse open every day
from 11am-5pm or telephone 0932 62927 for
further details.
Prices from £165,000 freehold
OCEAN GROUP DEVELOPMENTS LIMITED PO BOX 10000 LONDON ROAD
EAST WILLOW CROFT IN 141 401

OCTAGON

Harrods ESTATES



London Houses
and Apartments

International
Property

Country Houses
and Estates

Lettings and
Management

The new opening for property

We are pleased to announce that we have opened an Estate office at Harrods, Knightsbridge.
We are also extending our service to include three new teams specialising in Country Estates,
Lettings & Management and International Property.
If you are thinking of buying, selling, letting or investing we invite you to use these new openings.
Now at Knightsbridge or at our Park Lane office.

HARRODS ESTATES

At Harrods, adjacent to Banking Hall, 87-135 Brompton Road, London SW1X 7XL. Tel: 01-584 6600. Fax: 01-581 2827.
Head Office: 61 Park Lane, Mayfair, London W1Y 3TE Tel: 01-495 3660. Fax: 01-495 0637.



**A MEWS IN THE
AMUSEMENT OF CHELSEA.**
Seriously special
courtyard houses from £245,000.
Ring 01-551 9151 for
a private viewing.
CHARLES II PLACE.

**CHARLES II PLACE.
A DEVELOPMENT
CHARLES III WOULD
APPROVE OF.**

Architectural feat off
Kings Road. Houses from
£245,000. Ring 01-551 9151
for a private viewing.
CHARLES II PLACE.

BIDWELLS Chartered
Surveyors

CAMBRIDGESHIRE/HERTFORDSHIRE BORDER
1353 ACRES

4 bedroom farmhouse, good modern farm buildings with 3,000 tonnes
of grade storage. 3,500 square ft. Traditional barn. Excellent pheasant
and partridge shooting.
**VACANT POSSESSION AS A WHOLE OR
IN UP TO 4 LOTS**
Bidwells Cambridge (0223) 841842
Cambridge - Norwich - Ipswich - London - Perth

**ELEGANCE AND STYLE IN
A UNIQUE SETTING.**

RIDGEMOUNT PARK
SUNNINGDALE

A mature wooded setting is
the backdrop of this select
gathering of only seven
4-bedroom luxury detached
homes.
An excellent specification
and careful attention to detail
has created a unique environ-
ment offering a wonderful
lifestyle in the very heart of
Sunningdale, yet only a very
short walk from the railway
station and famous golf course.
These exclusive properties
offer a sound investment and
quality in new homes seldom
found today.
For full details either visit
the Showhouse or contact
Joe Casca on (0372) 64666.
Showhouse open daily
from 11.00am to 6.00pm.
Telephone: (0990) 20932.

AE
ARIA ESTATES
A BDO Company in the BDO Group

**PRICES
FROM £365,000.**

**EASY-MOVE
PLAN:**

90% MORTGAGE
SUBSIDY FOR 12
MONTHS - ARIA
ESTATES WILL PAY YOU
THE DIFFERENCE.

**ALL YOUR PURCHASE
RELATED COSTS WILL BE
PAID BY ARIA ESTATES
SUBJECT TO APPROVAL.**

**OFF KINGS ROAD.
REIGNS
CHARLES II PLACE.**

Intricate, imaginative
courtyard houses from
£245,000. Call 01-551 9151
for a private viewing.
CHARLES II PLACE.

**DISCOVER
THE HYDE PARK ESTATE**

A prestigious and quiet residential
district within a short distance of
the amenities of the West End, with direct
access to the City via the Central Line.
1, 2, 3 & 4 bedroom apartments
are currently available in the modern
buildings.
24 hour porterage. Secure under-
ground parking. 96 year leases. Access
to choice of Private Square Gardens.
Prices range from
£145,000 to £435,000

PRUDENTIAL
Property Services
40 Corporation Street, London WC2A 3AB
Tel. 01-292 3000 Fax 01-292 4222

Full Colour Residential Property Advertising

APPEARS EVERY
SATURDAY

Rate £44 per Single
Column Centimetre

TEL CAROL HANEY
01-873 4657

Humberts

West Sussex



An outstanding Grade II Listed 17th Century Manor House
in the heart of the Southwick Conservation Area.
4 reception rooms, 8 bedrooms, 2 bathrooms, shower room, cloakroom,
kitchen/breakfast room, utility room, conservatory, playroom, Cellars.
Courtyard and extensive outbuildings. Large landscaped gardens and grounds.
Guide Price: in excess of £475,000
Details: Lewes Office Tel: (0273) 478828 or London Office 1801879711

Humberts
Chartered Surveyors
Residential department at
Apt 200, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

HAMPSHIRE - N. Romsey
Romsey 4 miles, Southampton 5 miles, Winchester 9 miles.
Attractive Victorian farmhouse adjoining farmland and enjoying
rural views.
3 reception rooms, 4 bedrooms, 2 bathrooms. Oil central heating.
Double Garage. Garden and Paddock.
About 2 acres
Offers in the region of £300,000

(0722) 20422 Rolfe House, 60 Milland Street,
Salisbury, Wilt SP1 2BP

FINLAYS & HUGHES

LYNWILG HOUSE AVIEMORE



Attractive house with views to the Cairngorm
mountains. 5 bedrooms, 3 reception rooms, 2
bathrooms, staff flat, extensive outbuildings,
1 bedroom cottage and 4.2 acres of garden.
3 bedroom bungalow, 3.95 acre pony paddock,
salmon fishing on the River Spey and trout fishing
on Loch Alvie.

OFFERS OVER £290,000 INVITED.
45 Church Street, Inverness
Tel. (0463) 224343 Fax (0463) 243234

**CHARISMATIC, CLASSICAL
CONVENIENT
CHELSEA, COURTYARD.**

Very special houses off
Kings Road from £245,000.
Ring 01-551 9151
for a private viewing.
CHARLES II PLACE.

INTERNATIONAL PROPERTY

SOTOGRADE

Individual Building Plots
from \$39,000-\$195,000

TOGETHER WITH

JOINT SPRING
EXHIBITIONWED & THURS
Mar 21st & 22nd
12.00pm - 7.00pm
to be held at
The Windsor Room
Sheraton Park Tower Hotel
Knightsbridge
London SW1Puerto
SotograndeLuxury penthouses, apartments
& studios from \$50,000-\$500,000
Berths available
from \$21,500

Details from Puerto Sotogrande S.A. 3 Shepherd Market, Mayfair, London W1Y 7HS

Telephone: 01-495 3630 (24 hrs) Fax: 01-495 1015

helvim
FRANCE

INVEST NEAR GENEVA

IN FERNEY-VOLTAIRE (FRANCE):
RESIDENCE LES JARGILIERES

- High rental returns
- French fiscal advantages
- Architectural quality
- Ideal location



Les Jargilières, 21 rue de Genève, Ferney-Voltaire, France.

HELIVIM FRANCE - 25, rue François Ier - 75008 Paris - Tel.: (1) 40 70 13 13.

MARCO ISLAND

JEWEL OF SOUTH WEST FLORIDA

Elegant life-style in all-year sunshine.

3 1/2 Miles of shell studded platinum beach on the
GULF OF MEXICO
Golf, water sports, boating, tennis, fishing, parks,
marinas, fine restaurants and specialty shops.FLATS, HOUSES AND PLOTS FOR SALE;
many on beach or with mooring.
Prices to suit all pockets.
Dollar mortgages available. Full letting service.
For information pack, contact;BILL SHAUGHNESSY REALTY INC.,
P.O. BOX 47, HORNCHURCH,
ESSEX. RM11 2QP
Tel: 04024 46183/75468

FENAU

PROPERTIES IN PORTUGAL

- Lisbon, in residential area, exceptional apartment with 250 sq. m. living area. Parking space.
- Estoril, central location close to beach and casino, new exceptional villa with large reception area. Covered area 370 sq. m. Swimming pool, garage, 1.150 sq. m. garden. Ready for 1990.
- Algarve/Portimão, 16th century convent on 13.500 sq. m. riverbank site suitable for development.
- Algarve/Fraia de Lux, luxury villa in superb situation with sea and country views and over 13.000 sq. m. of land.
- Algarve/Fraia de Lux, 8.000 sq. m. of land for construction of private villa with magnificent sea view.
- Algarve/Vilamoura, 450 acres development site with 18 hole golf course playable within 12 months. Approved for villas, hotel, apartments, etc.

LISBON OFFICE
Tel: 09 31 05
Fax: 09 31 07FARO OFFICE
Tel: (089) 812314-24
Fax: (089) 29711JOHN TAYLOR & SON
PRINCIPALITY OF MONACOMagnificent penthouse with superb sea view and private swimming pool.
A prestigious selection of apartments and villas in Monaco and on the Côte d'Azur.PERSONALISED SERVICE.
APPLY FOR DETAILS IN CONFIDENCE
25 Bd des Moulins MC 98000 MONACOTel: (33) 83 50 30 70
Fax: (33) 83 50 30 72
JOHN TAYLOREAST GERMANY commercial & residential developments
WEST GERMANY hotel, 4 star, 100 beds, 5 year extension plans
SPAIN holiday homes from Malaga to Gibraltar
AUSTRALIA Queensland, private estate, Perth, prestige office space.Purdy Hillierland
Malesherbes, 1 D-7600 Gengenau 15 West Germany
Tel: 07204 661 Fax: 07204 640+ SWITZERLAND +
Purchase by foreigners authorized

Lake Geneva & Mountain resorts

You can own a quality CHALET/APARTMENT in: MONTREUX, VILLARS, LES DIABLERETS, LEysin, GSTAAD Valley, CRANS-MONTANA, VERBER, etc. from \$fr. 200'000.- Mortgages 60% at 7-14%

52, rue de Montbrillant - CH-1202 GENEVA
REVAC S.A. Tel. 41.22/7341540 - Fax 7341220 - Tx 22030

CANARY ISLES

In beautiful countryside near Las Palmas, Grand Canary, a hand-made well-equipped house in 14 acres of cultivated garden, views, orchard, 4 bedrooms, 3 bath, large kitchen, 35' living/dining room. Double garage, tennis court, pool, playground. \$250,000.
Write PIZZA REAL, Mas de Canillo 11, Las Palmas 35006.
Phone (34-28) 246138 or
Brisson 01-485-5259

NEAR MONACO

5 bedroom belle époque style villa with magnificent coastal views. Servant apartment, office, stunning reception, overlooking pool, lush gardens, privileged location. Offer in the region of 10,000,000 FF
Mr. Robinson - APRIM
93 18 09 09 - Fax 93 83 25 27

NEW ENGLAND/FLORIDA

Many fine homes & condos (some at reduced cost due to slow US market). We will also represent you at RE auctions.
Bookham R.E.
1418 Providence Highway
Needham, MA 02462
617-769-1730 Fax: 617-769-1560SAVOIE-FRANCE
A NEW ski resort in
THE THREE VALLEYS

LA TANIA

Between Courchevel and Meribel. South-facing luxury apartments in the best location in the resort. Full freehold ownership, not leasehold.
From \$47,000. Francs
THERESA INTERNATIONAL PROPERTIES
20 Whitton Street, Liverpool L20 1JF
Tel: 051 727 4411 or 051 89 9999
Fax: 051 726 4462I would like some information about the program
Name: _____
Address: _____
Tel: _____
Tel. Home: _____ Tel. Office: _____French franc loans available
Details of these and other developments in Brittany directly from the developer:
CATHERINE MAMET 20a, Union Street, Woodstock, Oxon OX2 1LF - Tel: 0993812171
Please send full details of your programme to:
Name: _____
Address: _____
Tel: _____ Tel. Home: _____ Tel. Office: _____Catherine Mamet, a woman's touch in a national development group. A limited number of houses and apartments in a spectacular beach side location.
From £ 36,500
Two bedrooms houses with garden.
French franc loans available
Details of these and other developments in Brittany directly from the developer:
CATHERINE MAMET 20a, Union Street, Woodstock, Oxon OX2 1LF - Tel: 0993812171
Please send full details of your programme to:
Name: _____
Address: _____
Tel: _____ Tel. Home: _____ Tel. Office: _____JOHN TAYLOR S.A.
LEADING ESTATE AGENT ON THE COTE D'AZURNEAR VALBOISSE
A delightful provincial style villa close to a golf course and with 2 acres of landscaped garden. Spectacular rooms. 3 reception, 5 bedrooms and bathrooms, caretaker's flat. Price 16,000,000 FF
REF 264JOHN TAYLOR SA - 55 CROISSANTE - 06400 - CANNES
TEL 03 38 00 66 - FAX 03 38 13 65
SAINT PAULLuxurious modern villa with glorious views. Large reception rooms, 4 air conditioned bedrooms en suite with bathrooms. Calibrated heated pool, over 2000 sq. m. of landscaped garden. Justified price.
1917 SOLE AGENTJOHN TAYLOR - ROUTE DE SAINT PAUL - 06480 LA COLLE SUR LOUP -
TEL 03 32 83 40 - FAX 03 32 83 48SAINT TROPEZ - INVESTMENTS
Our office offer a selection of hotels and golf courses for sale in this fast developing region of the COTE D'AZUR Principals onlyJOHN TAYLOR - ROUTE NATIONALE - 83600 - SAINT TROPEZ
TEL 04 97 07 50 - FAX 04 97 50 53SAINT JEAN CAP FERRAT
On a residential hill side: large villa, 5 reception rooms, 6 bedrooms, 4 bathrooms, rice garden with swimming pool. Breath taking view overlooking the bay of Villefranche and Cap Ferrat. REF 226JOHN TAYLOR - I Avenue Albert Ier - 06230 - SAINT JEAN CAP FERRAT
TEL 03 76 02 38 - FAX 03 76 13 09

SWISS PROPERTY EXHIBITION

EXCLUSIVE PROPERTIES IN EXCLUSIVE LOCATIONS
ROCHEBOURG/STAD VILLARS CHATEAU D'OREX
LEysin MONTREUX

We offer a superb range of exceptional properties in the most beautiful areas of Switzerland. The properties are: 1. A choice of detached houses, 2. A choice of detached houses, 3. A choice of detached houses, 4. A choice of detached houses, 5. A choice of detached houses, 6. A choice of detached houses, 7. A choice of detached houses, 8. A choice of detached houses, 9. A choice of detached houses, 10. A choice of detached houses, 11. A choice of detached houses, 12. A choice of detached houses, 13. A choice of detached houses, 14. A choice of detached houses, 15. A choice of detached houses, 16. A choice of detached houses, 17. A choice of detached houses, 18. A choice of detached houses, 19. A choice of detached houses, 20. A choice of detached houses, 21. A choice of detached houses, 22. A choice of detached houses, 23. A choice of detached houses, 24. A choice of detached houses, 25. A choice of detached houses, 26. A choice of detached houses, 27. A choice of detached houses, 28. A choice of detached houses, 29. A choice of detached houses, 30. A choice of detached houses, 31. A choice of detached houses, 32. A choice of detached houses, 33. A choice of detached houses, 34. A choice of detached houses, 35. A choice of detached houses, 36. A choice of detached houses, 37. A choice of detached houses, 38. A choice of detached houses, 39. A choice of detached houses, 40. A choice of detached houses, 41. A choice of detached houses, 42. A choice of detached houses, 43. A choice of detached houses, 44. A choice of detached houses, 45. A choice of detached houses, 46. A choice of detached houses, 47. A choice of detached houses, 48. A choice of detached houses, 49. A choice of detached houses, 50. A choice of detached houses, 51. A choice of detached houses, 52. A choice of detached houses, 53. A choice of detached houses, 54. A choice of detached houses, 55. A choice of detached houses, 56. A choice of detached houses, 57. A choice of detached houses, 58. A choice of detached houses, 59. A choice of detached houses, 60. A choice of detached houses, 61. A choice of detached houses, 62. A choice of detached houses, 63. A choice of detached houses, 64. A choice of detached houses, 65. A choice of detached houses, 66. A choice of detached houses, 67. A choice of detached houses, 68. A choice of detached houses, 69. A choice of detached houses, 70. A choice of detached houses, 71. A choice of detached houses, 72. A choice of detached houses, 73. A choice of detached houses, 74. A choice of detached houses, 75. A choice of detached houses, 76. A choice of detached houses, 77. A choice of detached houses, 78. A choice of detached houses, 79. A choice of detached houses, 80. A choice of detached houses, 81. A choice of detached houses, 82. A choice of detached houses, 83. A choice of detached houses, 84. A choice of detached houses, 85. A choice of detached houses, 86. A choice of detached houses, 87. A choice of detached houses, 88. A choice of detached houses, 89. A choice of detached houses, 90. A choice of detached houses, 91. A choice of detached houses, 92. A choice of detached houses, 93. A choice of detached houses, 94. A choice of detached houses, 95. A choice of detached houses, 96. A choice of detached houses, 97. A choice of detached houses, 98. A choice of detached houses, 99. A choice of detached houses, 100. A choice of detached houses, 101. A choice of detached houses, 102. A choice of detached houses, 103. A choice of detached houses, 104. A choice of detached houses, 105. A choice of detached houses, 106. A choice of detached houses, 107. A choice of detached houses, 108. A choice of detached houses, 109. A choice of detached houses, 110. A choice of detached houses, 111. A choice of detached houses, 112. A choice of detached houses, 113. A choice of detached houses, 114. A choice of detached houses, 115. A choice of detached houses, 116. A choice of detached houses, 117. A choice of detached houses, 118. A choice of detached houses, 119. A choice of detached houses, 120. A choice of detached houses, 121. A choice of detached houses, 122. A choice of detached houses, 123. A choice of detached houses, 124. A choice of detached houses, 125. A choice of detached houses, 126. A choice of detached houses, 127. A choice of detached houses, 128. A choice of detached houses, 129. A choice of detached houses, 130. A choice of detached houses, 131. A choice of detached houses, 132. A choice of detached houses, 133. A choice of detached houses, 134. A choice of detached houses, 135. A choice of detached houses, 136. A choice of detached houses, 137. A choice of detached houses, 138. A choice of detached houses, 139. A choice of detached houses, 140. A choice of detached houses, 141. A choice of detached houses, 142. A choice of detached houses, 143. A choice of detached houses, 144. A choice of detached houses, 145. A choice of detached houses, 146. A choice of detached houses, 147. A choice of detached houses, 148. A choice of detached houses, 149. A choice of detached houses, 150. A choice of detached houses, 151. A choice of detached houses, 152. A choice of detached houses, 153. A choice of detached houses, 154. A choice of detached houses, 155. A choice of detached houses, 156. A choice of detached houses, 157. A choice of detached houses, 158. A choice of detached houses, 159. A choice of detached houses, 160. A choice of detached houses, 161. A choice of detached houses, 162. A choice of detached houses, 163. A choice of detached houses, 164. A choice of detached houses, 165. A choice of detached houses, 166. A choice of detached houses, 167. A choice of detached houses, 168. A choice of detached houses, 169. A choice of detached houses, 170. A choice of detached houses, 171. A choice of detached houses, 172. A choice of detached houses, 173. A choice of detached houses, 174. A choice of detached houses, 175. A choice of detached houses, 176. A choice of detached houses, 177. A choice of detached houses, 178. A choice of detached houses, 179. A choice of detached houses, 180. A choice of detached houses, 181. A choice of detached houses, 182. A choice of detached houses, 183. A choice of detached houses, 184. A choice of detached houses, 185. A choice of detached houses, 186. A choice of detached houses, 187. A choice of detached houses, 188. A choice of detached houses, 189. A choice of detached houses, 190. A choice of detached houses, 191. A choice of detached houses, 192. A choice of detached houses, 193. A choice of detached houses, 194. A choice of detached houses, 195. A choice of detached houses, 196. A choice of detached houses, 197. A choice of detached houses, 198. A choice of detached houses, 199. A choice of detached houses, 200. A choice of detached houses, 201. A choice of detached houses, 202. A choice of detached houses, 203. A choice of detached houses, 204. A choice of detached houses, 205. A choice of detached houses, 206. A choice of detached houses, 207. A choice of detached houses, 208. A choice of detached houses, 209. A choice of detached houses, 210. A choice of detached houses, 211. A choice of detached houses, 212. A choice of detached houses, 213. A choice of detached houses, 214. A choice of detached houses, 215. A choice of detached houses, 216. A choice of detached houses, 217. A choice of detached houses, 218. A choice of detached houses, 219. A choice of detached houses, 220. A choice of detached houses, 221. A choice of detached houses, 222. A choice of detached houses, 223. A choice of detached houses, 224. A choice of detached houses, 225. A choice of detached houses, 226. A choice of detached houses, 227. A choice of detached houses, 228. A choice of detached houses, 229. A choice of detached houses, 230. A choice of detached houses, 231. A choice of detached houses, 232. A choice of detached houses, 233. A choice of detached houses, 234. A choice of detached houses, 235. A choice of detached houses, 236. A choice of detached houses, 237. A choice of detached houses, 238. A choice of detached houses, 239. A choice of detached houses, 240. A choice of detached houses, 241. A choice of detached houses, 242. A choice of detached houses, 243. A choice of detached houses, 244. A choice of detached houses, 245. A choice of detached houses, 246. A choice of detached houses, 247. A choice of detached houses, 248. A choice of detached houses, 249. A choice of detached houses, 250. A choice of detached houses, 251. A choice of detached houses, 252. A choice of detached houses, 253. A choice of detached houses, 254. A choice of detached houses, 255. A choice of detached houses, 256. A choice of detached houses, 257. A choice of detached houses, 258. A choice of detached houses, 259. A choice of detached houses, 260. A choice of detached houses, 261. A choice of detached houses, 262. A choice of detached houses, 263. A choice of detached houses, 264. A choice of detached houses, 265. A choice of detached houses, 266. A choice of detached houses, 267. A choice of detached houses, 268. A choice of detached houses, 269. A choice of detached houses, 270. A choice of detached houses, 271. A choice of detached houses, 272. A choice of detached houses, 273. A choice of detached houses, 274. A choice of detached houses, 275. A choice of detached houses, 276. A choice of detached houses, 277. A choice of detached houses, 278. A choice of detached houses, 279. A choice of detached houses, 280. A choice of detached houses, 281. A choice of detached houses, 282. A choice of detached houses, 283. A choice of detached houses, 284. A choice of detached houses, 285. A choice of detached houses, 286. A choice of detached houses, 287. A choice of detached houses, 288. A choice of detached houses, 289. A choice of detached houses, 290. A choice of detached houses, 291. A choice of detached houses, 292. A choice of detached houses, 293. A choice of detached houses, 294. A choice of detached houses, 295. A choice of detached houses, 296. A choice of detached houses, 297. A choice of detached houses, 298. A choice of detached houses, 299. A choice of detached houses, 300. A choice of detached houses, 301. A choice of detached houses, 302. A choice of detached houses, 303. A choice of detached houses, 304. A choice of detached houses, 305. A choice of detached houses, 306. A choice of detached houses, 307. A choice of detached houses, 308. A choice of detached houses, 309. A choice of detached houses, 310. A choice of detached houses, 311. A choice of detached houses, 312. A choice of detached houses, 313. A choice of detached houses, 314. A choice of detached houses, 315. A choice of detached houses, 316. A choice of detached houses, 317. A choice of detached houses, 318. A choice of detached houses, 319. A choice of detached houses, 320. A choice of detached houses, 321. A choice of detached houses, 322. A choice of detached houses, 323. A choice of detached houses, 324. A choice of detached houses, 325. A choice of detached houses, 326. A choice of detached houses, 327. A choice of detached houses, 328. A choice of detached houses, 329. A choice of detached houses, 330. A choice of detached houses, 331. A choice of detached houses, 332. A choice of detached houses, 333. A choice of detached houses, 334. A choice of detached houses, 335. A choice of detached houses, 336. A choice of detached houses, 337. A choice of detached houses, 338. A choice of detached houses, 339. A choice of detached houses, 340. A choice of detached houses, 341. A choice of detached houses, 342. A choice of detached houses, 343. A choice of detached houses, 344. A choice of detached houses, 345. A choice of detached houses, 346. A choice of detached houses, 347. A choice of detached houses, 348. A choice of detached houses, 349. A choice of detached houses, 350. A choice of detached houses, 351. A choice of detached houses, 352. A choice of detached houses, 353. A choice of detached houses, 354. A choice of detached houses, 355. A choice of detached houses, 356. A choice of detached houses, 357. A choice of detached houses, 358. A choice of detached houses, 359. A choice of detached houses, 360. A choice of detached houses, 361. A choice of detached houses, 362. A choice of detached houses, 363. A choice of detached houses, 364. A choice of detached houses, 365. A choice of detached houses, 366. A choice of detached houses, 367. A choice of detached houses, 368. A choice of detached houses, 369. A choice of detached houses, 370. A choice of detached houses, 371. A choice of detached houses, 372. A choice of detached houses, 373. A choice of detached houses, 374. A choice of detached houses, 375. A choice of detached houses, 376. A choice of detached houses, 377. A choice of detached houses, 378. A choice of detached houses, 379. A choice of detached houses, 380. A choice of detached houses, 381. A choice of detached houses, 382. A choice of detached houses, 383. A choice of detached houses, 384. A choice of detached houses, 385. A choice of detached houses, 386. A choice of detached houses, 387. A choice of detached houses, 388. A choice of detached houses, 389. A choice of detached houses, 390. A choice of detached houses, 391. A choice of detached houses, 392. A choice of detached houses, 393. A choice of detached houses, 394. A choice of detached houses, 395. A choice of detached houses, 396. A choice of detached houses, 397. A choice of detached houses, 398. A choice of detached houses, 399. A choice of detached houses, 400. A choice of detached houses, 401. A choice of detached houses, 402. A choice of detached houses, 403. A choice of detached houses, 404. A choice of detached houses, 405. A choice of detached houses, 406. A choice of detached houses, 407. A choice of detached houses, 408. A choice of detached houses, 409. A choice of detached houses, 410. A choice of detached houses, 411. A choice of detached houses, 412. A choice of detached houses, 413. A choice of detached houses, 414. A choice of detached houses, 415. A choice of detached houses, 416. A choice of detached houses, 417. A choice of detached houses, 418. A choice of detached houses, 419. A choice of detached houses, 420. A choice of detached houses, 421. A choice of detached houses, 422. A choice of detached houses, 423. A choice of detached houses, 424. A choice of detached houses, 425. A choice of detached houses, 426. A choice of detached houses, 427. A choice of detached houses, 428. A choice of detached houses, 429. A choice of detached houses, 430. A choice of detached houses, 431. A choice of detached houses, 432. A choice of detached houses, 433. A choice of detached houses, 434. A choice of detached houses, 435. A choice of detached houses, 436. A choice of detached houses, 437. A choice of detached houses, 438. A choice of detached houses, 439. A choice of detached houses, 440. A choice of detached houses, 441. A choice of detached houses, 442. A choice of detached houses, 443. A choice of detached houses, 444. A choice of detached houses, 445. A choice of detached houses, 446. A choice of detached houses, 447. A choice of detached houses, 448. A choice of detached houses, 449. A choice of detached houses, 450. A choice of detached houses, 451. A choice of detached houses, 452. A choice of detached houses, 453. A choice of detached houses, 454. A choice of detached houses, 455. A choice of detached houses, 456. A choice of detached houses, 457. A choice of detached houses, 458. A choice of detached houses, 459. A choice of detached houses, 460. A choice of detached houses, 461. A choice of detached houses, 462. A choice of detached houses, 463. A choice of detached houses, 464. A choice of detached houses, 465. A choice of detached houses, 466. A choice of detached houses, 467. A choice of detached houses, 468. A choice of detached houses, 469. A choice of detached houses, 470. A choice of detached houses, 471. A choice of detached houses, 472. A choice of detached houses, 473. A choice of detached houses, 474. A choice of detached houses, 475. A choice of detached houses, 476. A choice of detached houses, 477. A choice of detached houses, 478. A choice of detached houses, 479. A choice of detached houses, 480. A choice of detached houses, 481. A choice of detached houses, 482. A choice of detached houses, 483. A choice of detached houses, 484. A choice of detached houses, 485. A choice of detached houses, 486. A choice of detached houses, 487. A choice of detached houses, 488. A choice of detached houses, 489. A choice of detached houses, 490. A choice of detached houses, 491. A choice of detached houses, 492. A choice of detached houses, 493. A choice of detached houses, 494. A choice of detached houses, 495. A choice of detached houses, 496. A choice of detached houses, 497. A choice of detached houses, 498. A choice of detached houses, 499. A choice of detached houses, 500. A choice of detached houses, 501. A choice of detached houses, 502. A choice of detached houses, 503. A choice of detached houses, 504. A choice of detached houses, 505. A choice of detached houses, 506. A choice of detached houses, 507. A choice of detached houses, 508. A choice of detached houses, 509. A choice of detached houses, 510. A choice of detached houses, 511. A choice of detached houses, 512. A choice of detached houses, 513. A choice of detached houses, 514. A choice of detached houses, 515. A choice of detached houses, 516. A choice of detached houses, 517. A choice of detached houses, 518. A choice of detached houses, 519. A choice of detached houses, 520. A choice of detached houses, 521. A choice of detached houses, 522. A choice of detached houses, 523. A choice of detached houses, 524. A choice of detached houses, 525. A choice of detached houses, 526. A choice of detached houses, 527. A choice of detached houses, 528. A choice of detached houses, 529. A choice of detached houses, 530. A choice of detached houses, 531. A choice of detached houses, 532. A choice of detached houses, 533. A choice of detached houses, 534. A choice of detached houses, 535. A choice of detached houses, 536. A choice of detached houses, 537. A choice of detached houses, 538. A choice of detached houses, 539. A choice of detached houses, 540. A choice of detached houses, 541. A choice of detached houses, 542. A choice of detached houses, 543. A choice of detached houses, 544. A choice of detached houses, 545. A choice of detached houses, 546. A choice of detached houses, 547. A choice of detached houses, 548. A choice of detached houses, 549. A choice of detached houses, 550. A choice of detached houses, 551. A choice of detached houses, 552. A choice of detached houses, 553. A choice of detached houses, 554. A choice of detached houses, 555. A choice of detached houses, 556. A choice of detached houses, 557. A choice of detached houses, 558. A choice of detached houses, 559. A choice of detached houses, 560. A choice of detached houses, 561. A choice of detached houses, 562. A choice of detached houses, 563. A choice of detached houses, 564. A choice of detached houses, 565. A choice of detached houses, 566. A choice of detached houses, 567. A choice of detached houses, 568. A choice of detached houses, 569. A choice of detached houses, 570. A choice of detached houses, 571. A choice of detached houses, 572. A choice of detached houses, 573. A choice of detached houses, 574. A choice of detached houses, 575. A choice of detached houses, 576. A choice of detached houses, 577. A choice of detached houses, 578. A choice of detached houses, 579. A choice of detached houses, 580. A choice of detached houses, 581. A choice of detached houses, 582. A choice of detached houses, 583. A choice of detached houses, 584. A choice of detached houses, 585. A choice of detached houses, 586. A choice of detached houses, 587. A choice of detached houses, 588. A choice of detached houses, 589. A choice of detached houses, 590. A choice of detached houses, 591. A choice of detached houses, 592. A choice of detached houses, 593. A choice of detached houses, 594. A choice of detached houses, 595. A choice of detached houses, 596. A choice of detached houses, 597. A choice of detached houses, 598. A choice of detached houses, 599. A choice of detached houses, 600. A choice of detached houses, 601. A choice of detached houses, 602. A choice of detached houses, 603. A choice of detached houses, 604. A choice of detached houses, 605. A choice of detached houses, 606. A choice of detached houses, 607. A choice of detached houses, 608. A choice of detached houses, 609. A choice of detached houses, 610. A choice of detached houses, 611. A choice of detached houses, 612. A choice of detached houses, 613. A choice of detached houses, 614. A choice of detached houses, 615. A choice of detached houses, 616. A choice of detached houses, 617. A choice of detached houses, 618. A choice of detached houses, 619. A choice of detached houses, 620. A choice of detached houses, 621. A choice of detached houses, 622. A choice of detached houses, 623. A choice of detached houses, 624. A choice of detached houses, 625. A choice of detached houses, 626. A choice of detached houses, 627. A choice of detached houses, 628. A choice of detached houses, 629. A choice of detached houses, 630. A choice of detached houses, 631. A choice of detached houses, 632. A choice of detached houses, 633. A choice of detached houses, 634. A choice of detached houses, 635. A choice of detached houses, 636. A choice of detached houses, 637. A choice of detached houses, 638. A choice of detached houses, 639. A choice of detached houses, 640. A choice of detached houses, 641. A choice of detached houses, 642. A choice of detached houses, 643. A choice of detached houses, 644. A choice of detached houses, 645. A choice of detached houses, 646. A choice of detached houses, 647. A choice of detached houses, 648. A choice of detached houses, 649. A choice of detached houses, 650. A choice of detached houses, 651. A choice of detached houses, 652. A choice of detached houses, 653. A choice of detached houses, 654. A choice of detached houses, 655. A choice of detached houses, 656. A choice of detached houses, 657. A choice of detached houses, 658. A choice of detached houses, 659. A choice of detached houses, 660. A choice of detached houses, 661. A choice of detached houses, 662. A choice of detached houses, 663. A choice of detached houses, 664. A choice of detached houses, 665. A choice of detached houses, 666. A choice of detached houses, 667. A choice of detached houses, 668. A choice of detached houses, 669. A choice of detached houses, 670. A choice of detached houses, 671. A choice of detached houses, 672. A choice of detached houses, 673. A choice of detached houses, 674. A choice of detached houses, 675. A choice of detached houses, 676. A choice of detached houses, 677. A choice of detached houses, 678. A choice of detached houses, 679. A choice of detached houses, 680. A choice of detached houses, 681. A choice of detached houses, 682. A choice of detached houses, 683. A choice of detached houses, 684. A choice of detached houses, 685. A choice of detached houses, 686. A choice of detached houses, 687. A choice of detached houses, 688. A choice of detached houses, 689. A choice of detached houses, 690. A choice of detached houses, 691. A choice of detached houses, 692. A choice of detached houses, 693. A choice of detached houses, 694. A choice of detached houses, 695. A choice of detached houses, 696. A choice of detached houses, 697. A choice of detached houses, 698. A choice of detached houses, 699. A choice of detached houses, 700. A choice of detached houses, 701. A choice of detached houses, 702. A choice of detached houses, 703. A choice of detached houses, 704. A choice of detached houses, 705. A choice of detached houses, 706. A choice of detached houses, 707. A choice of detached houses, 708. A choice of detached houses, 709. A choice of detached houses, 710. A choice of detached houses, 711. A choice of detached houses, 712. A choice of detached houses, 713. A choice of detached houses, 714. A choice of detached houses, 715. A choice of detached houses, 716. A choice of detached houses, 717. A choice of detached houses, 718. A choice of detached houses, 719. A choice of detached houses, 720. A choice of detached houses, 721. A choice of detached houses, 722. A choice of detached houses, 723. A choice of

FOOD & WINE

Taste of the good life in a state-of-the-art setting

Jancis Robinson turns her attention to a growing US industry

IN ONLY one of the many wine regions I have visited have I been rung at seven each morning to be briefed on the "dress code" for that evening's social event. In only one have I been served food that was consistently excellent, left me feeling flatter than before I ate it, and clearly regarded by the wine producers as an integral part of the experience they are offering.

In only one does the number of wine producers continue to grow exponentially. In only one is the climate benign, the landscape breathtaking, the architecture sometimes regarded as more important than the vineyard manager, and the living so easy that I suspect the mosquitoes are not bite the blessed inhabitants.

It is, of course, California.

What I'm getting at is that while California might have exceptional natural resources, its wine industry is also the repository of enormous cash reserves at the moment. And despite the fact that it is a movement regarded as "neo-prohibitionist", there is no sign of a dimming of interest in a business that combines so happily an elegant life-style with an activity as wholesome as farming. As one ex-professional couple tires of running a back-to-the-dirt grape farm, another mounted individual from the electronics business, banking or the law is only too ready to step into their trainers.

So, the visitor to the Napa Valley - known as the Medoc of California; an apt comparison in terms of capital and prestige - is likely to start the day by drawing back the interlined Schumacher chintz curtains (perhaps marvelling at those floating over the vineyards in one of the multi-coloured tourist balloons) before pondering the life-style of the locals - or, at least, the local investors. One has bought a winery to house his art collection. Another has bought a winery on an architectural competition (and a very odd sort of Legoland brickworks it is). Another family uses its much-envied "caves" for recitals.

The visitor is entertained with more style than anywhere else in the wine world. In Champagne, admittedly, the wine is copious, the settings often impressive and the menus structured classically. In California, things are more casual and more studied. There is a studied stylishness about the placing of the dining table on the patio, the precise shading afforded by the over-hanging greenery, the choice of rustic tableware, the label graphics, and the artefacts in the confidently-styled tasting room.

And, just as in Champagne, it might occur suddenly to the visitor to ask himself who is paying for all this. This somewhat ungracious but unavoidable sentiment could play a part in the present vogue for complaining that California wines are too expensive.

Britons find it natural to make comparisons between what California and Australia have to offer in a bottle. In the \$3 to \$6 range (rapidly evolving into the \$4 to \$5 range), Australia is difficult to beat - except by France which does after all produce 15 times as much wine. Too many California producers just don't seem interested in this important sector of the market. Of course land and labour costs are lower in Australia, but it is surely by converting newish wine buyers at this price level that a region or producer can lure their customers of the future into spending a bit more on a special bottle.

Apart from the serviceable but unexciting Glen Ellen range of "fighting varieties" (called after the grape) which Oddbins retail in the UK at under \$4 and the custom-

blended Stratford, Canterbury and now Highgate varieties sold by Majestic at a well-justified pound or two more, California is poorly represented in this price bracket.

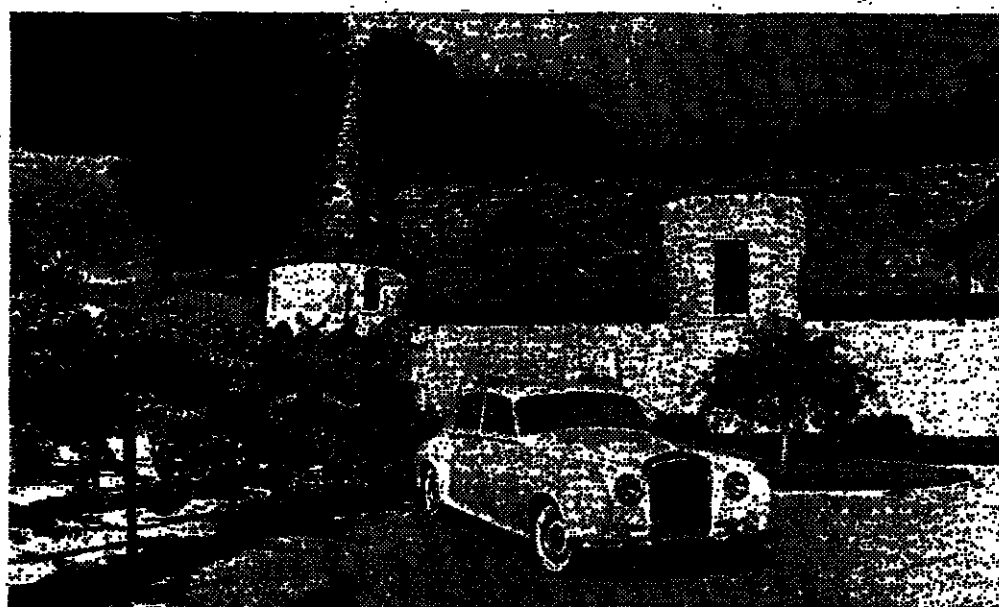
The most famous California wine producer of all, Robert Mondavi, has predictably recognised this problem and addressed it with his typically carefully packaged Robert Mondavi Woodbridge Cabernet and Sauvignon, which can be found at Majestic and Wine Rack at under \$5. Trefethen admirably perseveres with its Eschol label, behind which I have often found a fascinating white for very little more than a fiver from Les Amis du Vin of London W1. But perhaps the

best of all these "bottom rung" labels is Hawk Crest, which bears the same sort of relation to Stag's Leap as Pavillon Rouge does to Chateau Margaux - and I do not feel the comparison exaggerates the status of Stag's Leap.

Warren Winiarski is proving himself to be one of the world's great winemakers. His Stag's Leap Cabernet Sauvignon Cask 23 1985 is being fought over by US collectors at \$75 a bottle. In Hawk Crest Cabernet, Chardonnay and Sauvignon, all of them ready to drink, you can taste something of the wine-making style that justifies this. Stag's Leap and Hawk Crest, together with a quiver of other top quality North American

wines, are imported by Win-drush Wines of Cirencester (Tel: 0265-660466).

My admiration for Winiarski (who, being an ex-professor of Greek, is just another dropout in the Valley) is all the greater for his persistence with this Hawk Crest second wine. The trouble is that too many of the hundreds of new California wineries seem to think that anything less than the finest wine in the world is unworthy of their attention. They are encouraged to do so by the prevailing system of wine evaluation. Points out of 100 awarded by pundits such as Robert Parker can make or break a new winery's reputation, which means that the medium-priced



An elegant lifestyle in California: Chateau Bonwell Winery in the Napa Valley

Cookery

Get set for split-second starters

THE FIRST course of a dinner party is arguably the most important as it sets the tone for what is to come. It is also the course for which, by tradition, the cook is most likely to look outside the kitchen for help in the form of foods that can be served as bought or with little fiddling.

When the aim is to make giving a dinner party as easy as possible, I am doubly eager to search out good foods that need no cooking, only a little assembly work to present them prettily. Good shopping is the name of the game and the first places I cast covetous eyes over are the fishmonger's slab and the delicatessen counter.

If the budget is truly carefree what could be more effortless for the cook or more acceptable to guests than a cold fish or two? Those more pound-pinching may prefer oysters or smoked salmon, or fat whistery prawns in their pink-shelled armour served with bowls of glossy mayonnaises. Should you care that these foods are a little too hacked-nerved, even - dare I say it - verging on the vulgar, you might be happier to serve one of the following three variations on a fishy theme.

A platter of smoked fish is fractionally less obvious than smoked salmon served on its own, and ought to be no less delicious. It suggests you have taken a little more trouble and it certainly looks very pretty with its collation of, say, smoked eel, smoked trout and smoked salmon laid out on one large dish with clumps of watercress between them, quartered lemons or limes piled into the centre, and plates of thinly sliced brown or

rye bread and butter served on the side.

Potato shrimps are another old favourite, even easier from the cook's point of view but rarely served these days, worth remembering when you are in a lazy but generous mood. I recommend serving this shrimps in the cartons in which they are sold, simply grating a little mace or toasted coriander seed over the top and warming them gently to soften the buttery seal. Give each person his or her own little pot and hand round baskets of thick bread toasts wrapped in a napkin to keep it warm.

If a little more time is available, and a little less money, I might show off with smoked salmon parcels. Very thinly sliced smoked salmon is needed for this, but only enough to line the base and sides of a lightly oiled 3 fl oz size ramekin for each person. The salmon-lined ramekins are then filled with fish paste which, for the sake of easy entertaining, might not be home-made but a Marks and Spencer offering quickly doctored with a splash of cream, lemon zest or other appropriate embellishment. The ends of the smoked salmon are folded over the pate to encase it completely, the parcels are chilled until firm before being unmoulded for serving.

It is a tedious fact of life that the more modest the budget the more likely it is that the cook will have to contribute

some kitchen labour. But what I like about the first course ideas that follow is that, although easily afforded, none involves the cook in more than about 15 minutes work.

Croustons, an *œuvre* may no longer be the height of fashion but goats' cheese toasts grilled until the cheese is warm and molten remains tangy and enticing with its surround of radicchio, rocket or other leafy garnish framing the plate. It is very easy too as the salad, the grilling of the toasts and the covering of the bread with cheese can all be done ahead, leaving only the toasting of the cheese to be done just before serving. Don't forget that the bread is particularly delicious if brushed with olive oil before grilling.

I love the chef's trick of serving soup under a puff pastry crust because of the way it adds delicious drama to the soup course without putting the cook to any great trouble. No time to make soup? Why not buy Fonds de Cuisine stock, add thinly sliced mushrooms, baby mangetout and a few shakes of soy sauce for an instant oriental soup.



Pour the cold soup into small bowls - which must be suitable for putting into a very hot oven - cover with puff pastry, making a firm seal, and chill well. Shortly before dinner, glaze and bake at 425 F (225 C) for 7 to 15 minutes, then for 5 to 10 minutes more at 350-375 F (180-190 C), gas mark 4.5, and bring to table with a flourish.

If that sounds too much like hard work, how about quails' eggs in the nest? Nothing more onerous here than hard-boiling the eggs (leave the driers to do the peeling) and piling them into a nest fashioned from a handful of moss raked from the lawn. If your lawn is mossless (lucky you) or if you want an

edible nest, use watercress or mustard and cress instead. Either way, partition the eggs with celery and butter sliced thinly and with a mixture of celery salt and toasted and crushed sesame seeds for dipping. Hence, eggs are much cheaper of course and certainly count as a *cordon* à la crème are too good and too easy not to serve every now and again.

One of my favourite stand-bys at this time of year is prawn & artichoke salad. This involves no cooking, just grating raw Jerusalem artichokes, tossing them in vinaigrette with plenty of parsley and peeled prawns, and piling the prawns, pink and green mixture into scallop shells for individual servings. Occasionally I replace the artichokes and parsley with grated apple and a generous handful of toasted walnuts for good measure.

Avocados with watercress, puree is the best way I know to serve a good avocado, the stone cavity simply being filled with an emulsion of peppery watercress leaves and a vinaigrette dressing whisked together in a food processor. The only problem is to find

enough avocado pears reaching the right stage of ripeness simultaneously to serve at a dinner party. The same problem of ripeness can also dog attempts to serve that other excellent combination, pre-scutto e melons.

One of the appealing things about serving a fruit or vegetable based dish as the first course is that it spares you from having to serve vegetables with the main course, and this tends to make life much easier for the host/entertainer. (Globe, assemblages make a lovely appetiser, but they must be freshly cooked. Artichokes cooked at the beginning of the day, and served at dinner (as seems to be the practice in some restaurants) taste disgustingly stale).

On the other hand some vegetable-based dishes, being prepared a day or two or even four ahead. For example marinated mushrooms (sliced and tossed raw in warm olive oil aromatised with bay leaves, crushed coriander and cumin seeds, and later seasoned with salt and the juice of a lemon) or a generous handful of toasted walnuts for good measure.

Philippa Davenport

Food for Thought

Nantes' delicious mistake

HERE is a story told around Nantes, in western France, which is so consistent in its detail that most people believe it to be true.

Some time before the First World War there lived a gourmand nobleman, the Marquis de Goulaine. Like the hero of Marcel Rouff's novella, *Dodine-Bouffant*, Goulaine's most valued possession was his favourite cook, Clemence. For her part, Clemence could rarely be distracted from her abiding passion: catering (sic) for her master and his demanding guests.

One day, however, Clemence was distracted when she was preparing bearnaise sauce for the Marquis' dinner. She forgot to add the eggs. Discovering her mistake, the fearful cook ran to her master, the offending saucepan in her hand. Trying to console his cook, the Marquis dipped into the sauce, not once, but several times: "Why Clemence, it is extremely good, you have just made a remarkable invention. We'll name it *beurre blanc*."

She later left the Marquis de Goulaine's service and founded a restaurant called Clemence where a broader slice of the local population was able to sample her butter, set off by local pike, shad and Atlantic turbot. The restaurant at La Chevette, 18km to the east of Nantes, still exists.

Sadly I was unable to visit it on my recent trip to the Pays Nantais. I was, however, amply compensated by receiving a gastronomic tutorial from one



of the region's most popular restaurateurs, the chef-proprietor of the restaurant *Mon Réve*, Gerard Ryngel.

Ryngel reminded me that one of the essential factors in Clemence's discovery was the use of a fork rather than a spoon. A spoon would fall to "whiten" the butter as it was added to the reduction of vinegar, shallots and Muscadet to thicken in its double saucepan. Ryngel reserved his *beurre blanc* for pike which came after a dish of fresh scallops on a bed of lamb lettuce and two preparations of frogs' legs.

Frogs' legs have become a rarity in France and the Government has decreed that they may no longer be sold. The restaurateur may either catch frogs or buy them from abroad, either deep-frozen or alive from Albania or Egypt, as Ryngel does. The classic sauce for frogs' legs is the *poulette*, essentially just cream and egg yolks. Ryngel does not think much of the *poulette*; at *Mon Réve* frogs' legs are served on a

puree of cress or with a creamy reduction of local Gros Plant wine with shallots and garlic.

Pike, that "Atilla of the fish-ponds", is another endangered species. In fact French pike is brought in from the north of Europe - which might inspire enterprising fishermen in Britain where rivers and lakes used to brim with pike. But when was the last time you saw one in a fishmonger's shop? My pike came in its pond of *beurre blanc* accompanied by Nantes' most famous wine: Muscadet. Classic Muscadet has a ferocious acidity which makes it an ideal partner for this creamy sauce. Perhaps the Marquis de Goulaine had an inkling of this. His estate, then and now, was a major producer of the wine.

The next stage in this gourmand odyssey was duck. Nantes achieved a false reputation for its ducks when the first railway link was established between the Breton capital and Paris. The ducks arrived in boxes labelled *canards Nantais* much to the confusion of the Parisians. In reality the ducks came from Challens in the Vendée on the other side of the huge Grand-lieu lake. Ours was served with apples and grapes with a reduction of its giblets and Muscadet wine.

The Pays Nantais is so awash with vines that there seems to be little or no grazing land. The result here is a paucity of cheese. Nantes has just one: the *Curré Nantais*, invented by a local priest at

the turn of the century. The 200 gram semi-soft square cheese is made from cows' milk. It is best in winter or early spring.

Spring is altogether the best season to visit the Pays Nantais. The Loire is visited by lampréys, eels and shad. The eels and lampréys are stewed in wine. Eelers (around Nantes they call them *civelles*) used to be a speciality but have become a rarity.

Nantes is near enough to the sea to be able to profit from the abundance of shellfish to be had in southern Brittany. In the enormous, *fin-de-siècle* brasserie *Le Cigale* in Nantes, I was presented with a plate heaving with virtually every form of mollusc and crustacean, moistened with very reasonable Gros Plant.

Giles MacDonogh

A Wine Cellar? But I haven't even got a Cellar...

Our members don't need one. Enjoy choosing fine wines for laying down at your own financial pace.

The Wine Club, The Old Brewery, Station Rd, Wickwar, Glos. GL12 8NR. Tel: 0454 294085 Fax: 0454 294090

High Street Wine

An emphasis on quality

WINE IS just one, relatively small, part of Marks & Spencer's food department. Although there are 170 different products, chief rival Sainsbury offers twice as many. But M&S plans to make wine more prominent with an emphasis on quality - in its new range of food-only branches. Sixty of these are planned over the next five years. Of three in north London, Muswell Hill is open already with Hill and Edge-ware opening in March.

M&S does not aim to meet the considerable supermarket competition at the lowest price levels. Accepted wisdom in the trade is that the mass-market cellar for everyday wines is \$2 a bottle. The M&S list has below \$2.99. I tasted some of them, selected for me by the M&S wine division.

WHITE

Chevray 1989 (\$2.99). Chevray is one of the several small islands of vineyards on the Loire - Azay-le-Rideau is another - that produces dry white wines. This one is exceptionally pale, with rather less aroma than Chablis. It might need a little more bottle age but my sample was not very interesting.

Setteoli 1988 (\$2.99). This comes from a co-op in the south of Sicily that I visited early in the '70s when its wines were best-sellers into near-anonymity. But this one had a pleasant bouquet, a hint of sparkle on the tongue, fair flavour and good acidity. A good-value party wine.

Ch. La Jaurbette 1988 (\$2.99). This is a white Bergeron from the Chateau de Nick Ryan, acquired in 1970 from the proceeds of selling off the well-known London stationery business. Not a lot of bouquet but plenty of flavour - more than usual in white Bergeron - although it would have liked more freshness.

Beaujolais Blanc 1987 (\$2.99). Once met fairly often - and popular chiefly because it was the "other" colour - since 1970 it has been absorbed mostly into the St-Vincent *appelation contrôlée* and is now much less common. This has some colour, a nice, honeyish nose and a well-balanced flavour. Worth trying.

Chablis 1988 (\$2.99) and Chablis La Fourchaume 1986 (\$2.99). M&S has always had a good basic Chablis, bought from the local co-op, but I thought this one, although fair, might have had a little more richness and, at the same time more "cut" (which is partly what you look for in Chablis). The *Cuvée Fourchaume*, with an attractive, oaky nose plus real flavour and style (and 14 degrees of alcohol) is worth the extra price. If Chablis looks expensive, it must be compared with the whites of Muscadet and the rest on the Côte d'Or.

Australian Fumé Blanc 1987 (\$2.99). From the firm of Yalumba in the Barossa Valley of South Australia, this has an attractive nose and a taste of cloves. Not much like a French Fumé but good value.

California Chardonnay 1986 (\$2.99). Made by the Christian Brothers in Napa-Valley Fresno before they sold out to Heublein last year, this is distinctly sweet for a Chardonnay. It has a suggestion of marmalade but that is in no way disagreeable.

Montagny 1987 (\$2.99). From the well-known Buxy co-op in the Côte Chalonnaise, this is a

fruity wine with a fair amount of oak but less character than the Pouilly Vinzelles 1986 (\$2.99) which has slight colour and a real Chardonnay aroma and flavour. It comes from the Chaintre co-op in a satellite commune of Pouilly and Fuisse.

Muscadet de Beaune de Venise NV (\$2.99). This is from the private Domaine de Croyaux, unlike much of this popular dessert wine from the Rhône that comes from the co-op in the village. It is dry on the nose with a raisin flavour and has a slightly dry rather than a luscious end, but it is a wine of some style.

RED

Gamay NV (\$2.75). Made from the grape that produces Beaujolais, this is a light wine from the Ardèche with some of the true Gamay style but less character.

Chateau Villa Cafaggio 1986 (\$2.99). A good deal of Chianti suffers from an excess of acidity, usually modified by spicy Italian food, but this is a very well-balanced wine, with a distinctive nose, from the Classico Commune of Panzano. Very good California Cabernet Sauvignon (\$2.99). This is from the



Chateau de Chantilly, a good deal of Chianti suffers from an excess of acidity, usually modified by spicy Italian food, but this is a very well-balanced wine, with a distinctive nose, from the Classico Commune of Panzano. Very good California Cabernet Sauvignon (\$2.99). This is from the

Australian Shiraz Cabernet 1987 (\$2.99). A huge-coloured, 13-degree blend of two grape varieties from Penfolds. A lovely rich nose and full, minty flavour. A mouthful of wine.

Hawkes Côté de Beaune 1986 (\$2.99). Priced reasonably in red Côté d'Or terms, this is light in colour and has fair body but lacks character.

Margaux 1987 (\$2.99), St Julien 1986 (\$2.99) and Paillet 1986 (\$2.99). Three interesting, basic village wines from the top Haut-Médoc communes that display the characteristics of their varying origin and vintages. The Margaux has very good colour and, from a light vintage, the essential flavour of good claret. The St Julien - in fact, the second wine of Ch. Léoville-Barton - has the closed bouquet and tannic flavour of a notoriously tough but good vintage. Not ready now by any means, but a few bottles might be worth buying to put away for several years.

The Famille, a second wine from the recently much-improved second-grape Pichon Baron, has a big colour and real Paillet nose. It is fruity with very good balance. The best value of the three.

Banquet di Montalcino 1980 (\$2.99). This Barbaresco, also 13 degrees, has a brown tinge proclaiming age, and an oaky bouquet with plenty of fruit. A seductive wine to drink now.

Edmund Penning-Rodwell

CHRISTIE'S
The leading international wine auctioneers

Fine Claret & White Bordeaux
Thursday, 22 March at 11.30
To include the finest white and red wines of the 19th and 20th centuries, including a small selection of Chateau de Goulaine, 19th century, and a small selection of Chateau de Goulaine, 19th century, and a small selection of Chateau de Goulaine, 19th century.

Fine Wines & Vintage Port
Thursday, 5 April at 11.30
Vintage Port ranging from 1920 to 1985, including a small selection of Chateau de Goulaine, 19th century, and a small selection of Chateau de Goulaine, 19th century, and a small selection of Chateau de Goulaine, 19th century.

CHRISTIE'S WINE DEPARTMENT
15, Old Bond Street, London W1
Tel: 01-479 9600

WE'VE FOUND THE IDEAL LOCATION FOR A LUXURIOUS COUNTRY HOUSE HOTEL

BIRMINGHAM

Set within tranquil, secluded grounds, with ten luxuriously furnished bedrooms, the very best gourmet cuisine and wines and sophisticated conference facilities, Norton Place is the Midlands' new, exclusive Country House style hotel.

And yet, situated on the southern edge of Birmingham and at the heart of the country's motorway network, it is ideally placed for you to take full advantage of important business amenities, like the NEC, International Airport and International Convention Centre.

For further details send your business card freepost. Or fax us direct and enter our draw for a free weekend at Norton Place Hotel.

NORTON PLACE HOTEL

The Patrick Collection, Freeport BM 4004, Birmingham B30 1SR.
Reservations: Tel: 021-331 5555 Fax: 021-331 3048.

CALIFORNIA WINES



Our roots go down for 200 years.

In 1769, Padre Junipero Serra, a Franciscan friar, journeyed up from Mexico to California, founding twenty one missions.

From San Diego in the south, to Sonoma, five hundred miles to the north.

At every mission, he planted a vineyard. And they soon became established.

No one could claim his Mission grapes made anything more than simple sacramental wine.

But the readiness with which the vines grew was not lost on the early European immigrants.

The aptly named Frenchman, Jean Louis Vignes, and the Hungarian, Agoston Haraszthy, were both convinced that Europe's leading grape varieties would also grow in California.

In fact, they positively thrived. The fertile valley soils and a consistent climate ensures fully ripe grapes.

For many new settlers, it was such an attractive prospect, they ignored the chance to prospect in the California Gold Rush of 1849.

They brought skills, more grape varieties, and

above all, the pioneer spirit. They were to need it.

Not only did they have to wait for the wine market to develop in America, just when it did, along came Prohibition.

It's a testimony to their commitment and skill that seventy six different varieties of grape now grow in California.

Every one of them makes wine that has an enviable depth of flavour.

Just as you'd expect, really, from winemakers with our depth of experience.

MOTORING/TRAVEL

Technology rules, OK?

Stuart Marshall on what's new at the Geneva motor show

DISCOUNTING the one-off specials, the concept cars and prototypes, genuinely new cars from major manufacturers are conspicuously absent from Geneva's 50th *salon de l'automobile* that closes its doors tomorrow.

True, Mercedes-Benz showed an exceedingly sporty version of the 190E, the 155 mph/250 kmh 2.6-16 Evolution. It is closely related to a production racing car and comes with aerodynamic aids, 40 series tyres on 17-in diameter wheels, a 235-horsepower engine with catalyser and self-levelling suspension.

It is a limited edition, in left-hand drive only, and all part of campaign to give Mercedes-Benz cars a more youthful image.

A few of the 500 examples to be expected to come to Britain later this year. The price will be high: an inspired guess puts it at around \$50,000. That will include all the goodies Mercedes buyers usually have to pay extra for — and what price exclusiveness?

Some of the American cars unveiled at Detroit Show in January — the Chevrolet Caprice, for example — made their European debuts at Geneva.

Switzerland is one of the few European countries which buys American cars. You even see immense US-made station wagons and Cadillac sedans on the taxi stands, along with S-Class Mercedes saloons that to us are top management cars.

No wonder a taxi ride in Geneva costs an arm and a leg. The lack of new volume produced models at Geneva was more than made up for by displays of new technology that will make cars much more environmentally acceptable.

The motor industry knows that profound changes are coming. Audi, for example, showed a modified 100 quattro called the Duo with an internal combustion engine driving the front wheels, an electric motor the back ones.

On the open road, the petrol (or it could be diesel) engine

propels the Audi Duo. In town, it becomes a battery-electric car, of limited performance but fume-free and virtually silent. And it is still a full five-seater, with the batteries stowed under the load space floor.

Volkswagen had another hybrid; an even more sophisticated diesel-electric Golf. A 1.6 litre diesel with an exhaust catalyser is connected via a pair of automatic clutches to either an 8-horsepower electric motor, which also serves as a generator, or a normal 5-speed gearbox.

When speeds of more than 60 kmh/36 mph are required, the diesel engine — itself exceptionally clean — essentially drives the car. In a city centre, where even the diesel's minimal pollution is unwanted, the engine is shut down. The electric motor, which can propel the car at up to 60 kmh on the level, takes over.

Obviously, range on battery power is limited, though not as much as in a conventional electric car. That is because the traction battery under the boot is recharged when the car is diesel driven; the electric motor then acts as a generator.

At Geneva it displayed a diesel car with a simple catalytic converter which makes its exhaust emissions even better than those of the best catalyser-equipped petrol-engined cars.

Mercedes is also looking to the time when alternative fuels such as methanol (a form of alcohol) may have to be used. It showed a car that runs on either fuel, or a mix of both.

Catalytic converters do not clean up exhausts until they reach a working temperature of about 300°C. So, for the first mile or two, cars that owners fondly believe are environmentally clean may be pretty dirty.

To solve this problem, Mercedes-Benz has developed several different ways of pre-heating the catalyser so it works properly from the moment the car is driven off with a cold engine.



Audi's quattro-based Duo hybrid car could be used as a taxi. On battery power, it would be allowed into areas of towns from which motor vehicles are banned. For longer journeys, it would be propelled by its petrol or diesel engine.

Fuel-thirsty cars: will there be Budget penalties?

ON TUESDAY evening we shall know what John Major, the Chancellor, has in store for British motorists — and especially company car users — for the next year.

The industry has been bracing itself for a demonstration of the Government's greenness that will penalise users of large engined and fuel-thirsty cars. The reasoning is that the more fuel a car burns, the more carbon dioxide (CO₂), the main greenhouse effect gas, it puts into the atmosphere.

Catalytic converters take the poisons out of car exhausts but the CO₂ emissions of cars fitted with them are just as bad — or even worse than — those of the unconverted.

Have the Chancellor's advisers been aware that modern diesel cars are almost as clean as petrol cars with catalysers so far as the poisonous exhaust gases are concerned, and much better for CO₂?

That is because they burn their fossil fuel more efficiently, a point made by the Royal

Automobile Club in its Budget submission.

Public opinion seems to be in favour of making polluters pay by raising the cost of driving fuel-thirsty cars. One hopes, though, that the Chancellor will look further than mere litres. A 2.5-litre diesel car will burn less fuel than a 9-litre petrol car.

If the annual tax for cars with engines of 2-litres cylinder capacity and over is to be doubled, as some seem to believe, then an exception should be made for diesel cars. On environmental and conservation grounds, they deserve it.

ON MONDAY, I got my hands on a Mazda MX-5. The sun blazed down from a cloudless sky; the countryside looked like a south of England tourist board poster. I folded the roof down and for a few hours enjoyed the kind of motoring that saloon car drivers don't know exists. More of this when I have fully tested the car.

On the buses in Grenada

THE RIDE into St George's — picture post-card-pretty capital of the turbulent and nutmeg-rich Windward Island of Grenada — was accomplished at a rate of knots that would have made the average British bus driver blanch.

The Dormobile hurtled along sinuous and potholed roads, screeching to a halt whenever a bystander signified that he or she wanted to get on. Often these would-be passengers were street vendors or white-soled schoolchildren. All the time, our burly driver drummed his black-gloved hands on the steering wheel, keeping time with the thunderous reggae music that pulsed from the two vast speakers behind the back seat.

Anyone who maintains that the private sector cannot provide an adequate public transport system should visit Grenada, taking care to pack an effective pair of ear-plugs. Here on this mountainous Caribbean outpost a high proportion of the teeming market is serviced by small businessmen: two-man teams who prowl the streets in 12-15 seater minibuses picking up passengers from any street-corner, dropping them off when requested along prescribed routes.

The standard fare for a short-haul trip on the beaten track is EC\$1 (22.5p). Being small businessmen, however, they are amenable to offering door-to-door service taxi-style for an increased fee. Etiquette appears to be scrupulously observed. Payment is on exit. The stop signal is simply the drumming of finger-nails on the vehicle's roof; insistent drumming is recommended, however, in view of the musical accompaniment.

The two-man team consists of the driver and his resident Cerberus, a doorman-conductor who must have the build of a coxswain and the stamina of a stroke. Besides being in charge of all financial transactions, he indicates in the manner of the Windward Islands, as an ugly new fishmarket taking shape on the waterfront of Kingstown, St Vincent, bears testimony. It is not for nothing, one suspects, that Grenada issued commemorative postage stamps to mark both the passing of Hirohito and the accession of Akihito.

Our particular guardian bore

a remarkable resemblance to Prince — the slightly-built performer of the Batman theme music — insofar as his mirror sunglasses permitted such similarities to be observed. His hair was slicked back. His vivid, not to say lurid, green shirt was populated by a flock of scarlet-and-blue macaws.

Like grand prix racing cars, each bus has its trademark emblazoned garishly across its bonnet. Occasionally one will spot a conveyance that has dared to be unconventional: "Cheeky" (sic) was the title adopted by one conveyance.

Like most of the post-1970s



The harbour at St George's, capital of Grenada

rolling-stock on the island, these private-sector buses appear to be exclusively Japanese. The narrow thoroughfares of the capital are thronged with Mitsubishi and Toyotas. The only visible British vehicles are venerable if rusty Morris Oxford and Humber Hawks, relics of a bygone era.

Indeed, Japanese investment seems to be flooding into the Windward Islands, as an ugly new fishmarket taking shape on the waterfront of Kingstown, St Vincent, bears testimony. It is not for nothing, one suspects, that Grenada issued commemorative postage stamps to mark both the passing of Hirohito and the accession of Akihito.

David Owen

THE NEW MAZDA MX5.
IT'S SET MOTORING BACK 30 YEARS.

Remember the classic sports cars of the Sixties? Those growling, nippy two-seaters that you thought had gone for ever?

They're back in the new Mazda MX5. It's one of the most advanced cars on the road. But you'd never guess as you step back three decades into the snug, low-slung cockpit.

The traditional leather-trimmed wheel and large round instrument dials are just as you remember them. As indeed is the stubby gear shift with the ultra short throw. (*Car and Driver* magazine compared it to a toggle switch).

As you'd expect, the 1.6 litre fuel-injected 16 valve DOHC engine is mounted at the front. And supplies power to the rear with a throaty roar that's guaranteed to make you grin. As well it might. Mazda engineers listened to recordings of over 100 classic engine notes to perfect it.

The result even managed to move some hard-bitten motoring journalists. "Flat-out gorgeous" was the verdict of *What Car?* While *Road and Track* judged the MX5 to be one of the five best cars in the world. (Second only, in fact, to the Ferrari Testarossa).

Admittedly though, not every detail is authentic. The roof doesn't leak for a start. Nor will the car break down every week. (Like all Mazdas it's so reliable it comes with a 3 year warranty). And although the odd purist might object

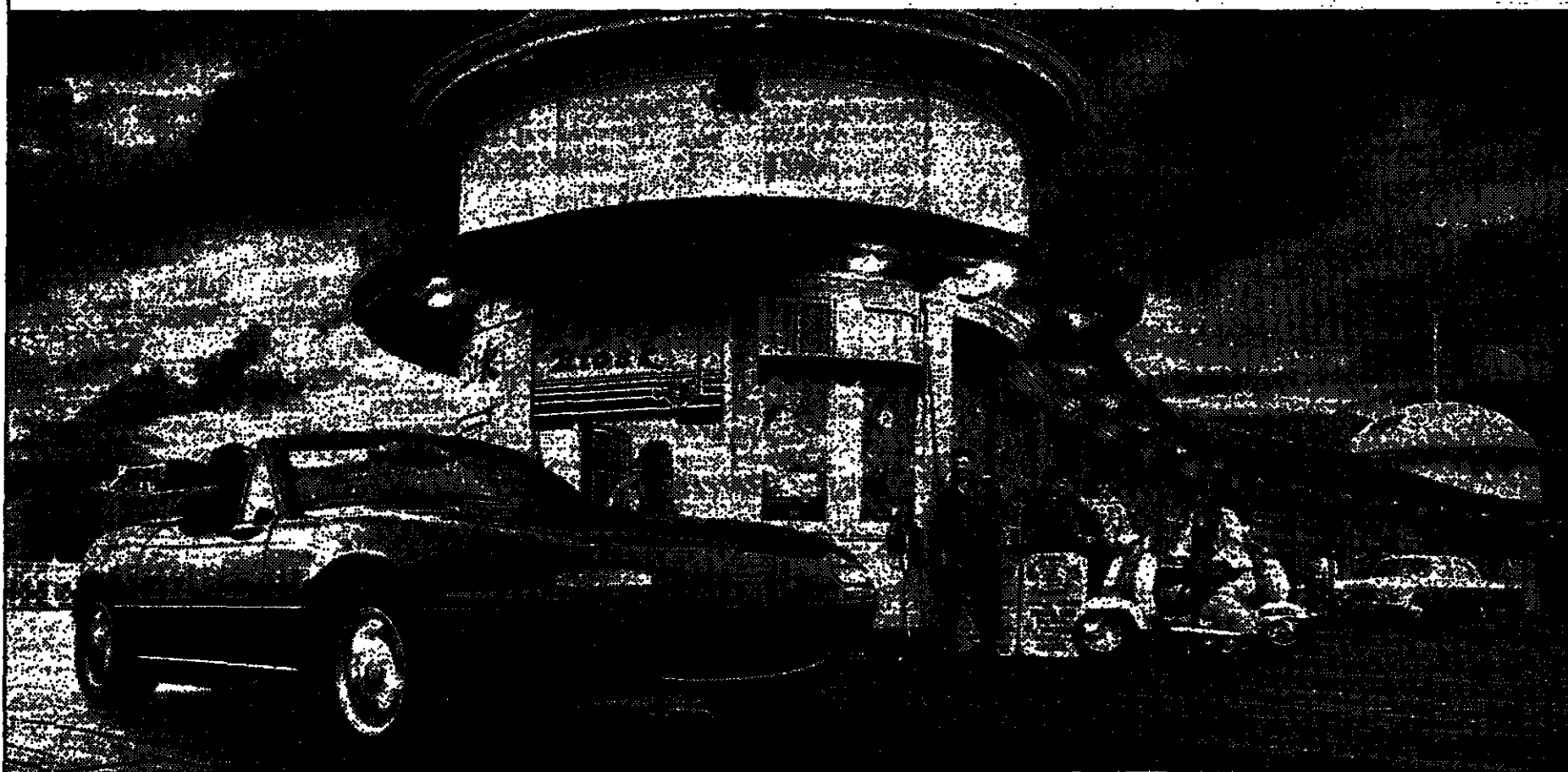
we've also included power steering, electric windows and a high quality car stereo. At under £14,500 it won't break the bank either.

We could go on and on. But there is a better way to appreciate the MX5. Have a word with your Mazda dealer and take a test drive down memory lane.

mazda
Building Excitement



FINO THE MAZDA MOTORE ON 0800 300 120 FOR FREE INFORMATION PACK. OR THE 24-HOUR SALES HOTLINE ON 0800 22242. OR WRITE TO MAZDA CAR FIN LTD, FREEPOST, FURNESIDE WELLS, WILT BA9 9BB. PRICES EXCLUDE DELIVERY AND NUMBER PLATES. ALL PERFORMANCE DATA ARE FACTORY SOURCES. PRICES AND TECHNICAL DATA CORRECT AT TIME OF GOING TO PRESS. ALL NEW MAZDA CARS INCLUDE MAZDA 3 YEAR WARRANTY PLUS - A 3 YEAR/60,000 MILE WARRANTY INCLUDING VEHICLE RECOVERY SERVICE TO THE NEAREST MAZDA DEALER.



TRAVEL

Wildside

St Kilda through the eye of a storm

Richard Gilbert journeys to the Outer Hebrides

AS SOON as we rounded the island of Pabbay, in the Sound of Harris, we met the full power of the Atlantic swell. Our little boat raised her bows skyward, the green sea passed with a swish, and we slid down into the next trough only for the process to be repeated again and again. Optimists all, we asked our binoculars and crowded the rails in an attempt to spot the legendary islands of St Kilda rising 1,000 feet above the waves, 40 miles to the west.

The isolated rocks of Hasker and Gasker produced a cry of "Land ahoy," but two hours passed before the grey teeth of Boreray and Conachair appeared on the horizon. Meanwhile, we were content with the fascinating life around us: a school of dolphins playing in the bow wake and leaping clean out of the water in exuberance; the dark fin of a killer whale; fulmars and shearwaters skimming the waves; gulls and terns; and a few fish swimming in the water.

Fifteen years had passed since we first glimpsed St Kilda, from the 1,250 ft summit of Heaval, the highest peak on Barra in the Outer Hebrides. The islands appeared as mere pin-points in the ocean, but the sea had been so calm and the sky so blue that it was a long time before we realised that we were looking at the islands.

Much has been written of St Kilda and its extraordinary community, which existed there for hundreds, maybe thousands, of years before the last few wretched souls were taken off by the government in 1930 and resettled on the mainland. We devoured every book on St Kilda that we could lay our hands on, finding the most gripping accounts to be that of Martin Martin who made a courageous visit by rowing boat in 1597.

His adventures are described in *A Late Voyage to St Kilda*.

Historically, the islands belonged to the MacLeods of Dunvegan in Skye but, after evacuation, they were sold to the Marquis of Bute who bequeathed them on his death to the National Trust for Scotland. In 1987 a small area of Hirta, the largest of the islands, was commandeered by the army for a radar station. Even in the summer months, few boats visit St Kilda. The NTS organises working parties, rebuilding some of the ruined crofts, and it lays on cruises for ornithologists. There is a small camp site limited to a maximum of 12 people and the old weather station has been converted into a bunkhouse.

We obtained permission for an August visit to St Kilda, booked 12 bunks in the feather store and chartered a 70 ft motor boat from Oban, Sadly,

stack in the British Isles. As we approached the stack it appeared to be plastered white with guano, but closer inspection showed the white patches to be gannets nesting on every available ledge and overhanging on the cliff face.

Boreray and its stacks make up the largest gannetry in the world, although the population is less now than in the 19th century, when the St Kildians were harvesting 22,000 of the birds each year.

We had hardly got our breakfast back after the wonderment of Stac an Armin when Stac Lee burst into view on the west side of Boreray. Stac Lee is only 54 ft high but it is more sheer even than Stac an Armin, and we marvelled at the rock-climbing ability of the St Kildians, who scaled it in bare feet for eggs and young

'A journey which should have taken 22 hours took four days and we were forced to shelter overnight'

though, as McCaig's Folly, a 19th century mock-up of the Colosseum built high above Oban, slipped away and we changed through the Sound of Mull to Tobermory, the weather was unsettled and sales were slow. We were forced to shelter overnight at Cana. On the fourth day, during a brief lull, we negotiated the tide and entered the Sound of Harris and set a direct course for St Kilda.

Although Hirta is the largest island of the group, the most impressive is Boreray, lying four miles to the northeast. This wedge of rock throws down 1,000 ft cliffs into the boiling sea and yet, unbelievably, sheep graze the spray to graze the almost sheer patches of grass.

On the north side of Boreray, just offshore, rises Stac an Armin, a fan of rock towering skywards for 327 ft and laying claim to be the highest sea-

gannets. No wonder they developed prehensile toes.

Sea sickness was forgotten, for we were totally absorbed by the magnificence of the stacks and the sight of gannets diving for fish. But during all this excitement the wind had risen and we bucked over an angry sea to the comparative shelter of Village Bay on Hirta.

For two nights and a day we lay in the bay tied to a mooring buoy while a storm raged over St Kilda. A large stern-trawler to the north of Hirta recorded gusts of 55 knots, and certainly spume was driving clean over the island of Dum, which makes the south arm of Village Bay.

Rainbows danced through the racing vortexes of spray and the menacing roar of the wind and the breakers were beyond anything we had ever experienced. It became possible to understand why the St Kildians were defeated for days following a severe winter's storm. Frustratingly, through the spray, we could see the line

of stone cottages making up Main Street, Hirta, where the men held daily parliament to allocate the day's tasks.

Liberal sprinkles around the bay and up the steep, grassy slopes of Mullach Mor and Conachair were the domed clefts: storehouses built of stone, with ample chimneys for ventilation, in which the St Kildians preserved corn, meat, fish and birds. On the north side of the bay the low, grey buildings of the small army camp merged surprisingly well into the landscape, although the radar bowls and wireless masts were an intrusion.

On our second day in Village Bay the wind moderated and we braced ourselves for a dash back to the shelter of Harris. All went well until the engine stopped mid-way: dirty diesel was the cause. While the skipper changed the filters we slewed around, side on to the mountainous seas. That half-hour ranked high in the worst moments of our lives because our party of 12 were mountain-

ous, not sea-travellers. Once in the Minch the weather deteriorated again, the engine continued to misbehave and we pleaded to be landed at Mallaig rather than attempt to round Ardnamurchan Point. Never had we enjoyed more the scenic railway journey through Fort William back to Oban.

Details of expeditions to St Kilda can be obtained from the National Trust for Scotland, 5 Charlotte Square, Edinburgh, EH2 4DU.



SNAPSHOT

Queen's future

DISNEY CORPORATION, which recently acquired the Queen Mary at her Long Beach tourist berth in California, plans to make the grand old lady the centrepiece of an entire new maritime "Disneyworld."

In the pursuit of another hugely-profitable fantasy, Disney may destroy a rather surprising slice of history.

I went aboard the Queen Mary rather expecting to see a mahogany-and-silver tableau from the last days of Empire. It was strikingly absent. Instead, there is the most chilling vivid reconstruction of life aboard a wartime troopship.

For most Americans the Queen Mary was not the upper-class pleasure steamer that Disney envisions through the pages of *Picture Post*. She was a stripped-out, camouflaged monster - the "Grey Ghost" - that carried 9,200 GIs per voyage to the European battlefields.

Counting that many fully-equipped soldiers aboard a vessel designed to carry just over 2,000 passengers in considerable style and comfort was difficult. Tiers of metal bunks, five-high in places, filled lounges, dining rooms and even the swimming pools.

Claustrophobia is the overwhelming feeling when moving through the re-constructed troopdecks. A man could scarcely move without bumping his comrades. Infantrymen were able to play endless games of poker - although gambling was officially banned - without leaving their bunks. Gasmasks, rifles and tin-hats hang everywhere.

With so many men and so little space, every movement had to be choreographed elaborately. Even with the galleys running on a 24-hour system, each soldier could only be fed two hot meals per day because of seating problems. Ten minutes' exercise on deck was possible in good weather.

As the invasion of mainland Europe grew closer, the need for American troops increased. The capacity of the Queen Mary was increased to an incredible 15,000 men sleeping in shifts. Sailing out of New York and down the Hudson River, soldiers were stood to attention.

Any sudden mass movement and the consequent list of the ship would have scraped the roof of the Holland Tunnel, only inches below the keel.

Excellent wall charts throughout the Queen Mary explain how she was able throughout the war to keep her passengers safe. With her top speed of 34.5 mph she was the fastest ship afloat and, in the early days of the war, could even outrun German torpedoes.

Zig-zagging across the Atlantic, capable of maintaining her top speed for the full five-day crossing, the Queen needed no naval escort, nor were there many warships fast enough to keep station with her.

A graphic photographic display commemorates the unfortunate cruiser HMS Carraque, rammed and sunk by the Queen Mary as she crossed beneath the bows of the vast liner.

More than 900 sailors aboard the Queen Mary were killed by US troops packed on the decks high above.

It was an isolated, singularly horrific incident, and kept a military secret for the duration of the war.

When peace came in May 1945 the great ship's role was reversed and she became a vehicle home for war-weary Americans and Canadians. The wounded came first. Surgical and intensive care units were fitted in the larger lounges and dining rooms. Some of these have been carefully re-created in the present-day ship.

Even after transporting 800,000 servicemen and, according to Winston Churchill, the greatest war by a year, the Queen's role was still not over. Before being handed back to Canada she moved over 22,000 GI brides and their young families to the US.

Half-a-dozen babies were born on these voyages. With present-day Nato undergoing a transformation and hundreds of thousands of American troops on the verge of leaving Europe for good, the Queen Mary provides - still - a vivid illustration of the means by which the New World saved the Old 45 years ago.

Keith Wheatley



Soldiers in the Springfield Road

Tin hats and Guinness

Christina Lamb takes a break in Belfast

management cares to remember. Today the windows have special films over them to prevent the glass blowing out; James Bond-style walls come down to partition off parts of the hotel if there is an explosion.

The "divided city" was brought home vividly when I switched off the TV pictures of jubilation at the Berlin Wall to visit a local club. We took a circuitous route and found ourselves in one of the most tense parts of Belfast, where Catholic and Protestant streets are separated by a 20 ft high sheet of corrugated iron, topped in places by barbed wire. The police call it an interface, residents more sardon-

ically call it a peace wall. Locals say that segregated education means the divisions between the two religious communities have never been so great, though their biggest problems - lack of housing and jobs - are common. But Belfast is becoming, superficially at least, unified.

In fact, areas like Ballymurphy and the infamous rat- and slime-infested 1960s-built Divis Road estate are gradually disappearing. Over the last two years, vast sums of money have been pumped into housing projects in Catholic areas and the beginning of a business boom is evident from the growth

of spectacular open plan houses on hillsides and seafront. Today Bally-

murphy and Divis, with its army post keeping a constant watch on residents, are the last reminders of what the whole city used to look like.

Surprisingly, Belfast is not at all a depressing place. One quickly gets used to the soldiers and one can devour a pizza unthinkingly while watching a body being dragged past by RUC men. In fact the city has great charm. What I did not expect was the warmth of the people, the engaging stories, the wild rugged seafaring of the Antrim Coast along which seals splash and cry, the delights of devouring fresh crumbly scampi overlooking mirror-smooth Lough Neagor. Oddly, it was these things rather than the horrors that made me feel suddenly guilty for developing the unconscious knack of blotting out news stories on Northern Ireland.

Probably the most evocative reminder of what is going on in the Falls Road, the main artery of Catholic West Belfast, is the London black cabs ply up and down - a vital service as buses to Catholic areas stop at the first hint of trouble. Offices have wire cages over doors and windows, side streets have Gaelic names, and an essential stop for American tourists redolent of the 1940s is the Sinn Féin bookstore; to enter it, one must press a buzzer and be given the once-over through the one-way mirrored door.

A pleasant historic experience is a trip to the Crown, the only pub owned by the National Trust, where one can drink Guinness by gaslight at half London prices, seated in a room under ornate windows that are still the originals from 1848. From the constant crush of customers one would never guess that Northern Ireland has the largest proportion of teetotalers in Europe - 40 per cent, apparently - the rest (apparently) making up for it. It is still hard to find a watering hole on Sundays, when Orangemen march up and down the centre heating drums and dressed in dark overcoats and bowler hats, clutching furled umbrellas.

Belfast, as they say, is a "good crack" but it is the first time I've had to prove my identity at a roadblock to get out of a city.

the industry's market leader to pick up as much market share as possible in case of any further late weakness.

Italy, also, is enjoying a good year - apart from Sardinia where fears of English soccer hooliganism for the World Cup finals has apparently put many people off, though the competition only lasts a few weeks.

So should you book now? If you want a specific hotel or resort, Greece - especially the islands - is experiencing a buoyant year. Although late bookers to Greece will probably find few good deals left (although Go Greek and Pure Crete have some availability) Thomson is surprisingly offering discount deals in its latest promotion. This suggests an attempt by

David Churchill

MOTOR CARS

CLASSIC CARS

ASTON MARTIN ZAGATO

Convertible with delivery mileage available for immediate sale. Registered 1990. Offers invited for this limited edition motor car (less than 40 exist) to be received by fax no later than 3.00 pm Monday 19th March.

Fax us (0438) 742719

This is a very rare with immense investment potential

RANGE ROVER

GUY SALMON

RANGEROVER

For a large selection of pre-owned Range Rovers all with the Land Rover Assured Warranty

TEL: 01-397 2462

138 Ruxley Lane, West Ewell, Surrey.

JAGUAR

BMW

JAGUAR

Fixedhead Coupe original right hand drive, superb example Tel: (08283) 3293 or 2952.

BMW Z-1

Red, immediately available, DM 85,000, ONO. Free German border, left hand drive, 160 kms only. S. Giesch, Weisbach 45, D7100 Heilbronn/FRG.

SAAB

SAAB AUTHORISED DEALER

SAAB IN WAVERHAMPTON offer prompt delivery of new Saabs. Delivery time 1-2 weeks. Agents for all Saab models in the UK. Sales, Service, Repairs, Leasing. Tel: (0800) 02221.

SAAB IN BATTERSEA London latest dealer. Sales, Service, Repairs, Leasing. Tel: 01-873 3218.

BENTLEY

BENTLEY.

Beautifully coachbuilt saloon by Hooper. Own mark VI chassey. Believed one of only four.

Tel: (08283) 3293 or 2952.

MOTOR CAR

ADVERTISING

appears every

Saturday in the

WEEKEND FT.

REACH THE RIGHT READERS by advertising now

Telephone James Burton 01-873 3218

EDUCATIONAL

The most renowned school for French

INSTITUT DE FRANÇAIS

For adults. 3 levels: Beginners 1 to Advanced II

As intensive "COMPLETE IMMERSION" course on the Riviera

Next 4-week course starts April 2, May 7, and all year

20000 Villeneuve-la-Palud, France. Tel: 04 91 01 01 01 Tel: 070 900 700 700

TRAVEL BUSINESS

Summer holiday availability

ANYONE thinking of a package tour this summer faces a difficult choice: to book soon to secure their choice or to wait for discounts which the industry may be forced to offer later this year.

After the sharp decline in package bookings before Christmas, the travel trade reports that holiday sales have picked up significantly in the last few weeks. Even so, the market is still expected to be some 20 per cent down on last year by the end of the summer.

This, however, has led to speculation that package holidays will be hard to find within a few weeks. Already there are some, albeit anecdotal, reports of booking difficulties for late March and April holidays.

Yet in spite of the fact that the travel industry has collectively reduced its capacity for this summer by about 2m holidays, reports from travel agents and tour operators this week suggest that there is no real shortage of packages.

Indeed, most travel agents are continuing to offer discounts on summer package holidays even though such price cuts are damaging their profit margins. The range of travel agents' discounts is complex: Pickfords, with an eye on

the long-haul sector, takes £150 off per booking for holidays costing two people £2,500 or more. Lunn Poly, however, which concentrates more on short-haul holidays is allowing £50 per person off holidays costing £750.

But what clearly shows the weakness of the short-haul package holiday market is the return to price discounting by Thomson Holidays and ILG, the two leading operators.

Both operators have introduced, albeit selectively, price

cuts for a number of Mediterranean resorts. Most special deals are aimed at Spain and Portugal which are reportedly faring worse than most other Mediterranean destinations.

But while the best bargains are to be found in those two countries late bookers might be disappointed. "Now is a crucial time for tour operators who have to decide soon whether to cut capacity further," says Michael East, an independent travel consultant with the Eastcastle Manage-

ment group. If the discounted holidays fall to sell well over the next few weeks, then air charter capacity will be cut further.

However, Greece - especially the islands - is experiencing a buoyant year. Although late bookers to Greece will probably find few good deals left (although Go Greek and Pure Crete have some availability) Thomson is surprisingly offering discount deals in its latest promotion. This suggests an attempt by

BOOKS

Ravaged by the Red revolution

Elon Salmon reflects on the bitter ironies attending the birth of the Soviet Union

RED VICTORY

by W Bruce Lincoln
Simon & Schuster £18, 337 pages

When it was finally over, the country's economy lay in ruins. Unspeaking atrocities were committed by both Whites and Reds. Ethnic minorities were crushed between the warring factions. Terror was practiced not as an attending evil of the conflict but as a matter of planned policy, against adversaries, against suspected traitors, against entire sections of the population.

As Lincoln shows, both sides were committed not only to winning the war but to total annihilation of the enemy. "Raw cruelty and fanatical fanaticism, anything seen in those glacial battles of the Great War became a part of Russia's Civil War from its beginning. On one occasion Whites filled three freight cars with bodies of Red Guards, their frozen corpses placed in obscene positions," according to one observer, and returned them to their starving enemies marked "fresh meat."

destination Petrograd" he writes, as one point in case.

Today, nearly 70 years later and with millions more victims of Stalin's repression, the empire which Lenin and his disciples inherited and consolidated is facing disintegration. The ideology which gave birth to the Soviet Union has been discredited beyond recognition. Ethnic identities, submerged in the great Soviet commonwealth, are re-asserting themselves with a vengeance. Freedom, which the Revolution promised but failed to deliver, is at last a looming reality, not through the agency of the Revolution but through its negation. This, perhaps, is the greatest historical irony of the Red Victory.

At the onset of the Civil War, Russia stood defeated by the Germans, humiliated by the imposed Brest-Litovsk Treaty which lost her Poland, the Ukraine, the Caucasus, Finland and the Baltic provinces, and impoverished. The Bolsheviks could rouse the masses with fiery speeches and promises for a better life whereas by contrast the Whites' communications were general to the point of banality. Moreover, their

unfettered depredations alienated the population in the regions which they controlled. Divided by conflicting interests and denied both industrial and agricultural hinterland, the Whites' war effort had to be sustained by help from the western allies, the British among them - out to put an end to what Churchill described as the "Bolshevik baboonery." For a brief moment, under the able leadership of the flamboyant General Wrangel, the Whites were able to threaten Moscow.

Widespread hunger that led in cases to cannibalism, marauding winos, human excesses, and the awesome immensity of Russia, all combined to give the Civil War an epic proportion of universal import. Mr Lincoln conveys this sense masterfully. His writing is consistently vivid, in unfolding the complexity of events as he brings to life his cast of characters. On a lesser scale than E.H. Carr's classic *History of Soviet Russia*, *Red Victory* is a modest masterpiece of historical writing. Offering new insights and hitherto unavailable evidence, it flows like a novel without losing the authority of an academic book of the highest order.



Primate meets primate. A really dangerous primate shares a banana with a ring-tailed lemur in a Madagascan glade

degenerate among us will remain untouched."

The Deluge and the Ark tells of the Deluge unleashed by human primates, *homo sapiens*, on the world's nonhuman primates, but also of the Ark - sanctuaries, reserves, captive breeding programmes, rehabilitation efforts and so on - that may help save the primates and other animals. The author became interested in primates after reading a newspaper story about a monkey in south-eastern Brazil, the largest monkey of south and central America, that was sometimes called the woolly spider monkey and sometimes the muriqui. But its name was becoming irrelevant: it was very close to extinction. So Peterson offered to write a brochure to help raise money for the muriqui. Then he thought of a book, having discovered, after several weeks' studying, that between a third and a half of all primate species are declining towards extinction, including the largest in the world (gorilla), the smartest (gygny chimpanzee) and the most beautiful (golden lion tamarin). Peterson acquired a ticket to the great library at Harvard's Museum of Comparative Zoology and got stuck in, having selected 12 species or subspecies to represent the primate order in terms of geography, type, problem and solution.

Don't monkey with apes

THE DELUGE AND THE ARK
by Dale Peterson

Hutchinson Radius £16.95, 378 pages

THE PRIMATES are our cousins. Yet we are encroaching on their territories, throwing them off the ark, hunting them for food and sport, hunting them to death, hurrying them to extinction, at a truly dreadful rate.

In our sentimental way we have decided that we are fond of pandas, tigers, whales, seals, elephants and rhinos - anything cuddly and glamorous, or large and obvious - and are trying to save them from the sum restoring the Statue of Liberty. Yet cable cars and statues are inert. We can rebuild or refashion them any time we want. But no-one will ever be able to reconstruct a primate species once we have wiped it from the ark for good. "No sum of money," says Peterson, "can remotely foreseeable future technology will ever return them to this planet or this universe. And when they finally disappear, species by species, only the - intellectually dead and the spiritually

our terrible assaults.

As Dale Peterson explains in this splendid work, the people of San Francisco recently spent nearly \$50m restoring their historic cable car system; the US as a whole spent a far higher sum restoring the Statue of Liberty. Yet cable cars and statues are inert. We can rebuild or refashion them any time we want. But no-one will ever be able to reconstruct a primate species once we have wiped it from the ark for good. "No sum of money," says Peterson, "can remotely foreseeable future technology will ever return them to this planet or this universe. And when they finally disappear, species by species, only the - intellectually dead and the spiritually

At the end of three years he found he had a manuscript. But he still hadn't seen most of his primates. He had read what there was to read, looked at pictures, seen movies, visited zoos and studied stuffed animals in glass cases. But he needed more. "I don't particularly like to travel," he writes, "but one day I realised I had to travel around the world and find my 12 representative species." That is what he did. As a result, *The Deluge and the Ark* - voraciously well researched, sometimes tinglingly well written, a volume that reminds us of the beauty and fragility of the earth and its species - could be the book that saves the primates.

It is not a depressing work. Time after time Peterson describes his pleasure and relief at the efforts being made to save our friends. As he says: small solutions right now can save many threatened species for a while, perhaps a century - long enough, at least, to give our children and their children the chance to defend them in better ways. We can launch an Ark to carry them that far. If we do not help our cousins, it will be the result of true madness.

Michael Thompson-Noel

Murder on the mind

LIFE AFTER LIFE

by Tony Parker

Sacker & Warburg £14.95, 194 pages

MURDERERS ARE set apart from other criminals. Their sentence is for life and, although they may be let out of prison "on licence" at some unspecified date, they can never serve out their sentence. Murderers are, in society's perception, beyond the pale. Yet the first lesson of this book is how close the line is between "Grievous Bodily Harm" and "Murder."

If "unlucky" is a word to use in connection with murder, it is the 14-year-old boy who stabs his grandfather with scissors, the youth who fights off a policeman with a brick, the girl who kills her best friend, are unlucky that they are victims.

The word "accident" is used often in this book, not as an excuse - all twelve murderers accept their guilt and their punishment - but in the sense that Thomas Hardy allows "accidents" to fate to destroy his characters.

Tony Parker could only interview subjects who were willing to co-operate fully, which gives a slightly rosier picture (again perhaps an inappropriate adjective) than if he had described men or women still in violently defiant mood. His aim is to answer that most difficult of all questions, "Why does a man kill?" and for that he needs to take his subjects back to their childhood and lead up gradually to the moment when they became forever "murderers." Any preconceived generalisations soon fall away, which perhaps explains why Mr Parker himself draws no conclusions. He does, however, note that, of 12,000 "lifers" let out on licence over the last 16 years, only five have re-offended.

Tony Parker does not concentrate here on the prison experience. Most of his subjects are already out in the world, coping or not coping with the difficulties of living in the community as a murderer. Probation rules insist, for example, that a murderer taking on a permanent job must declare his offence if it is considered relevant. Thus a 41-year-old woman, determined to start afresh after eleven years in prison, loses her job as housekeeper when she owns up to her past. Families and friends very often break contact with the long-serving prisoner. So the main problem for the murderer when he is given his freedom is to make sympathetic contact with another human being.

One 60-year-old woman, com-

mitted for murder when she was 20, and taken back to prison three times for bad behaviour, only found it worth controlling herself when given the responsibility of an Alaskan puppy. At last she had an inspiration for love. Parker's method of letting his subject talk after a brief introductory description, but printing no questions, gives a strikingly immediate effect. It is truly shocking when a PHILIP describes how he tortured and killed his 18-month-old son, but since he tells it within the context of his whole life, of his punishment and of his horror at what he did, we can read it without the uncomfortable voyeuristic sensation that accompanies a newspaper report.

What Parker makes us see is that these people, although guilty of monstrous acts, are still members of the human race, with the same needs, and even rights, as all of us. In this he is advocating practical Christianity, making the point, without ever actually saying it, that if society has determined that we should no longer take away the life of those who have caused death, then we should be responsible for and aware of the quality of that continuing life. It is not enough to lock up a murderer and forget about him.

This is a difficult lesson. We have to fight against an instinctive sense that someone who has caused great suffering should never again be allowed ordinary happiness. Yet this is the worst and most illogical side of human nature and one which Tony Parker's book makes us confront.

Rachel Billington

Simply his most explosive yet

ROBERT LUDLUM

THE

BOURNE ULTIMATUM

The ultimate thriller from the world's greatest storyteller
Available from W.H. Smith and all booksellers

GRAFTON BOOKS



Fouled-up masters of the pen

NOVELISTS IN THEIR YOUTH

by John Halperin
Chatto & Windus £20, 257 pages

Victorian period to the contemporary. His survey and analysis is enviable, and particularly to a British academic or freelance, is his job, Centennial Professor of English at Vanderbilt University, which appears to involve every third year of research projects.

To take a couple of examples of the extravaganzas from *Novelists in Their Youth*, which ends with an interesting chapter on Maugham. Halperin describes *Don Fernando*, a travel book and "an unmemorable novel," which he says "should have had that out. Again, understandably proud of having been granted an interview by Lady Glendevon, Halperin writes: 'Maugham's daughter has revealed to the present writer a possible persona for the mysterious Rosie' (in *Cakes and Ale*). In fact, the existence of Rosie's prototype in life was first revealed by Maugham himself in a memoir *Looking Back* in the *Sunday Express* in 1932. Her actual identity was known to Sylvia Arthur Jones, known as Sue, the daughter of Sir Henry Arthur Jones, the playwright - was first revealed by Robert Calder in 1972, and it was revealed by this present writer in

1974 in a book which Halperin lists here in his bibliography. Slips of this kind are regrettable but they do not wholly invalidate a book which raises interesting questions. From the general reader's standpoint, Halperin has many useful attributes. Confidence in his own judgment is one - he is quite proud with the word "great" for works by Maugham (for instance - and a knack of going straight to the point is another. The point here is a consideration of those early years when the character is being formed as the key to the drive and motivations of the mature writer. Henry James, Hardy, Gissing, Conrad, Edith Wharton and Maugham are the novelists subjected to this kind of biographical deconstruction. What was the "obscure hint"

suffered as a young man by Henry James? Halperin suggests it was a nervous crisis brought on by the thought of enlistment in the army during the Civil War. What was the true impact of the untimely death of his cousin Minny Temple? Halperin relates it to the recurrent theme of the emotional vampire in the novels and tales. Why was Hardy so concerned to conceal the peasant background from which he came? What were the most significant omissions in the biography published posthumously under his wife's name but now known to be written by him? What was the effect upon Conrad, not merely

of the years at sea, but of the total isolation of any congenial companionship or dialogue to which as a young man they condemned him?

How was it that Gissing came to anticipate the course of his own life in his novels? The novelist shows us characters of great sensitivity set on suicidal collision courses through the degrading hideous they make with working-class women. Having set down these cautionary tales with great clarity, Gissing then made precisely the same ghastly mistake himself. Why? The generally raised Edith Wharton was another novelist to make a disastrously unhappy marriage

Fiction

Unobtrusive heroes

THE WORLD OF NAGARAJ

by R K Narayan

Helmman £12.95, 185 pages

THE QUIET WOMAN

by Christopher Priest

Bloomsbury £13.99, 216 pages

LAZARUS

by Morris West

Helmman £12.95, 293 pages

MALGUDI IS R.K. Narayan's small town in south India, the setting for much of his fiction. Little happens there. Particularly little happens in *The World of Nagaraj*, in which a middle-aged, childless man means, though never quite manages, to write a book about the great sage, Nagaraj, and meantime, since information about him is hard to find, pretends to be him. That is until Tim, his much-loved nephew, turns up to live with him and be educated. But the boy drops out of education, preferring night-club life, then marries; and then, in a quiet house with his wife's hat-mat, played from morning till night. Domestic uproar kills Nagaraj's concentration. Cotton-wool in his ears having failed, he finally admits defeat.

No writer makes India so pleasant as Narayan, so full of feeling, so exact from the inside without apparent effort and certainly without local colour. His hero is a man so mild he seems the quintessential wimp, agreeing with everyone, standing up to no-one except in fierce internal monologues nobody hears, battered (often kindly) by his wife and overpowering relatives, patronised by the sage he consults because he cannot read Sanskrit, cheated or cheerfully condescended by almost everyone else. Droll - rather than straight-forwardly funny, the tale's slightly askew English transfigures the action and translates Nagaraj's inner turmoil into perfect outward politeness. After several pages of him and of Malgudi, India becomes spiritually and physically accessible, alive.

Rural and understated is the action of *A Quiet Woman*, suit-

ably named for its unobtrusive heroine, Alice. And yet dramatic. A nuclear leak of some sort has played havoc with the part of Wiltshire where she has bought a cottage. This and other troubles of every sort are already bearing down on her when her only local friend, an elderly woman writer and kindred spirit, is murdered.

Christopher Priest is very good on the wicked, the almost incredible, in a humdrum setting. Besides the despairing but costly realistic chapters about Alice - cat, cottage, money and health worries, banned book, sick agent, unhelpful ex-husband - are wild, first-person narratives involving the supernatural and the surreal: Wiltshire crops flattened by circular space invaders, evil fantasies involving the people we know in unfamiliar settings. Who is candid and credible? Who depraved, murderous, vicious? And when is an anonymous letter to the police, justified? Alice's terrible situation (alone, terrified and unsupported) comes across: there is only Jimmy the cat to purr his consolation and give her warmth and company. The

vehement, clinging love of the lonely for an animal comes unsentimentally across.

As story-telling, this has the Ancient Mariner's grip. Filled, indeed, with the desperate ordinariness of Alice's everyday life, make it a powerful brew, memorable for a strange mixture of reasons.

Not so the third in Morris West's Vatican trilogy, *Lazarus*. Two popes ahead of the present one, Leo XIV is a fast, four reactionary taking Roman Catholics into a new Counter-Reformation. Suddenly, after a heart by-pass operation, he is stripped of omnipotence and dignity, becoming vulnerable, shocked and, in the process, humanised. Like Lazarus, he returns from the dead, for the operation goes well. But killers are after him, a terrorist group called the Sword of Islam, and what better sitting-duck than a frail, world-famous convalescent?

Though not exactly fiction, *Lazarus* has the documentary air given by familiarity with everything involved. If you like being a fly on a Vatican wall, this makes it readable enough. But the characters are stereotypes, cardboard cut-outs against an opulent panorama, and though the events are large-scale, nothing really matters since one cannot really care. This is skilful airport fiction, exact, detailed and well-crafted, to while-away a long trip, but Jimmy the cat in Christopher Priest's novel has more artistic realism and feeling than Leo XIV or anyone else in *Lazarus*.

Isabel Quigly

NON-FICTION

HEALTH INSURANCE IN DEVELOPING COUNTRIES: The Social Security Approach

Focuses on benefits and financing, and on inter-relationships between social security systems and government agencies. The Review Board of Labour Statistics: Retrospective edition on population censuses.

ISBN 0-2-105475-1 £12.50
International Labour Office
Vincent House, Vincent Square,
London SWP 2 2B
Tel: 01-423 6401

YEAR BOOK OF LABOUR STATISTICS: Retrospective Edition on population censuses, 1945-89

A unique world-wide and authoritative reference work providing an overview of population censuses since 1945. The data covers 180 countries, areas and territories.

ISBN 0-2-105428-8 £24.00
International Labour Office
Vincent House, Vincent Square,
London SWP 2 2B
Tel: 01-423 6401

IT ATLAS EUROPE 1990

Covers:
• European research programmes
• Structures, computer, associations and their research programmes
• Telecommunications and training activities
450 pages including 40 pages of index.

Available April. Price £50 + p.p.
Wiley and Co., London
Tel: 01 540 5254

ECONOMICALLY ACTIVE POPULATION:

Estimates 1950-1980

Projects 1985-2025

Volume VI - methodological supplement

Describes the census methodology for most of the countries in the world. The Review Board of Labour Statistics: Retrospective edition on population censuses.

ISBN 0-2-105428-8 £12.50
International Labour Office
Vincent House, Vincent Square,
London SWP 2 2B
Tel: 01-423 6401

MAJOR HAZARD CONTROL:

A practical manual
2nd impression, 1990

Provides information on all main subjects and gives examples of applications. Recommended for safety studies of major chemical, and other, hazards. Also covers planning for emergency.

ISBN 0-2-105428-8 £12.50
International Labour Office
Vincent House, Vincent Square,
London SWP 2 2B
Tel: 01-423 6401

RURAL DEVELOPMENT AND WOMEN IN AFRICA

3rd impression, 1989
Case studies reveal some of rural women's dilemmas - food processing in Ghana and Sierra Leone, access to land in the Ivory Coast and Senegal, marketing in Nigeria and South Africa, and income-generating activities in the whole region.

ISBN 0-2-105428-2 £12.50
International Labour Office
Tel: 01-423 6401

All announcements in this section are advertisements. If you wish to advertise, please contact Wai-Fung Cheung, The Financial Times, Number One Southwark Bridge, London SE1 9EL. Telephone: 01-573 3576, or 01-407 5758

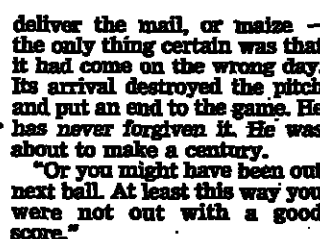
Major speaks — in a minor key

"Do you like the Oval?"
 "Very much. I used to live in Brixton, near the Oval, and was brought up on Laker and Loch in the great days of the

**John Major bowls
a maiden over
when he talks to
Teresa McLean**

No public relations course could teach cricket pupils to trace the precious inheritance of stylish batting, as Major traced it, in about 90 seconds: from Gower back through Graveney, Cowdrey and May in England, then right back through a feast of international riches to the legendary Trumpster in the early years of the

By now the Press Secretary was looking at his watch and the people were coming in and out of the room, coughing significantly. But Majors emerged from behind his glasses with a flamboyant farcical account of one cricketing disaster which was little short of spectacular. He has had a peripatetic life and lived in Nigeria for a while. Playing his last game there before leaving, he had scored 77 not out when, all of a sudden, an aeroplane landed at square 12. It had come to



He unspiced a large smile. "Yes, I suppose so. That's one way of looking at it." I asked him: "Which would you rather be - captain of an English Test team winning a series or Prime Minister?" It was the second time he paused for thought. Then the biggest of all the big smiles. "There's no choice. Is there?"

What I do do is simple, though it has to be stressed that it is underpinned by more than 20 years' study of the racing and betting businesses, and by innumerable conversations with the sport's richest, most languid, toffs. I open the *Sporting Life*. I open my *Timeform* racecard. I open the morning papers and read the summaries of the sport's septuagenarian scribes. I run swiftly through the maths and glance at a few equations. I listen to the breeze. I consult the odd horse

Racing: Michael Thompson-Noel gives Cheltenham a wide berth

Horse racing betting turnover in Britain in the current financial year is expected to show a 12 per cent gain to approximately £4.2bn. This is good news for the Horserace Betting Levy Board, whose latest yield from the bookies (year to April 1) is expected to be about £36.5m. The sport would flounder without this levy. For example, the Levy Board hopes to make loans of £32m for racecourse improvements in the next three years, while its contribution to prizemoney (Flat

I am watching the bookies closely. As soon as the Flat season starts I will be swanning to the track, my attaché case stuffed with tenners. I have plenty of fresh ammunition. A youth in Montevideo has sent me some new equations. The bookies had better duck. It will be *Buff! Zap! Pow!*

become latter (4)	ANIMATE CORRUPT
DOWN	WINDY
1 Go off with enlargement (4,2)	NINETEEN STRIKE
2 Forer island, one of no importance (6,3)	STAY TASTING
3 Church ban for introducing one animal into earlier service (15)	STAYD C H
4 Encourages fashionable visits to be heard (10)	GO DOWN PAGE
5 Cook terrace until too solid, which is potentially explosive (15)	TOE GAG DETESTED
6 Best to get ready (5)	RESCUING REFORM
7 Best to fix with wisdom one third of (8)	STRAOGE SEASON
	Joni MacLellan, Brussels, Belgium; Lex, Madrid; Peter Read, Lyseaker, Norway; H.C. Thomas, Finsbury, Coventry; Colin F. White,

[illegible]

Wednesday programme in black and white

BBC1

6.55 *Playdays*, 8.15 *Morning Worship* from the services chapel at the University of St Andrews, 9.30 *News*, 10.00 *Country*, 10.10 *Radio 1* (15.00 *Yip Yip to Wind Power*, 11.00 *You Are What You Eat*, 12.05 *pm* *See Hear!* 12.04 *Country*, 1.15, 1.50 *News* On The Record, 2.00 *Playdays*, 2.15 *Clash of the Tunes*, 2.30 *Tom and Jerry*, 2.45 *The Clashes* (with *Clash of the Tunes*), 3.00 *Country* (with *Clash of the Tunes*), 3.15 *See Hear!* 3.15, 3.25 *News*, 3.40 *Song Of The People*, 7.15 *Don't Wot 'Uv*, 7.20 *Playdays*, 7.30 *Clash of the Tunes*, 7.45 *See Hear!* 7.45, 7.55 *News*, 8.10 *Country*, 8.15 *See Hear!* 8.15, 8.25 *News*, 8.40 *Song Of The People*, 8.45 *See Hear!* 8.45, 8.55 *News*, 9.10 *Country*, 9.15 *See Hear!* 9.15, 9.25 *News*, 9.40 *Song Of The People*, 9.45 *See Hear!* 9.45, 9.55 *News*, 10.10 *Country*, 10.15 *See Hear!* 10.15, 10.25 *News*, 10.40 *Song Of The People*, 10.45 *See Hear!* 10.45, 10.55 *News*, 11.10 *Country*, 11.15 *See Hear!* 11.15, 11.25 *News*, 11.40 *Song Of The People*, 11.45 *See Hear!* 11.45, 11.55 *News*, 12.10 *Country*, 12.15 *See Hear!* 12.15, 12.25 *News*, 12.40 *Song Of The People*, 12.45 *See Hear!* 12.45, 12.55 *News*, 1.10 *Country*, 1.15 *See Hear!* 1.15, 1.25 *News*, 1.40 *Song Of The People*, 1.45 *See Hear!* 1.45, 1.55 *News*, 2.10 *Country*, 2.15 *See Hear!* 2.15, 2.25 *News*, 2.40 *Song Of The People*, 2.45 *See Hear!* 2.45, 2.55 *News*, 3.10 *Country*, 3.15 *See Hear!* 3.15, 3.25 *News*, 3.40 *Song Of The People*, 3.45 *See Hear!* 3.45, 3.55 *News*, 4.10 *Country*, 4.15 *See Hear!* 4.15, 4.25 *News*, 4.40 *Song Of The People*, 4.45 *See Hear!* 4.45, 4.55 *News*, 5.10 *Country*, 5.15 *See Hear!* 5.15, 5.25 *News*, 5.40 *Song Of The People*, 5.45 *See Hear!* 5.45, 5.55 *News*, 6.10 *Country*, 6.15 *See Hear!* 6.15, 6.25 *News*, 6.40 *Song Of The People*, 6.45 *See Hear!* 6.45, 6.55 *News*, 7.10 *Country*, 7.15 *See Hear!* 7.15, 7.25 *News*, 7.40 *Song Of The People*, 7.45 *See Hear!* 7.45, 7.55 *News*, 8.10 *Country*, 8.15 *See Hear!* 8.15, 8.25 *News*, 8.40 *Song Of The People*, 8.45 *See Hear!* 8.45, 8.55 *News*, 9.10 *Country*, 9.15 *See Hear!* 9.15, 9.25 *News*, 9.40 *Song Of The People*, 9.45 *See Hear!* 9.45, 9.55 *News*, 10.10 *Country*, 10.15 *See Hear!* 10.15, 10.25 *News*, 10.40 *Song Of The People*, 10.45 *See Hear!* 10.45, 10.55 *News*, 11.10 *Country*, 11.15 *See Hear!* 11.15, 11.25 *News*, 11.40 *Song Of The People*, 11.45 *See Hear!* 11.45, 11.55 *News*, 12.10 *Country*, 12.15 *See Hear!* 12.15, 12.25 *News*, 12.40 *Song Of The People*, 12.45 *See Hear!* 12.45, 12.55 *News*, 1.10 *Country*, 1.15 *See Hear!* 1.15, 1.25 *News*, 1.40 *Song Of The People*, 1.45 *See Hear!* 1.45, 1.55 *News*, 2.10 *Country*, 2.15 *See Hear!* 2.15, 2.25 *News*, 2.40 *Song Of The People*, 2.45 *See Hear!* 2.45, 2.55 *News*, 3.10 *Country*, 3.15 *See Hear!* 3.15, 3.25 *News*, 3.40 *Song Of The People*, 3.45 *See Hear!* 3.45, 3.55 *News*, 4.10 *Country*, 4.15 *See Hear!* 4.15, 4.25 *News*, 4.40 *Song Of The People*, 4.45 *See Hear!* 4.45, 4.55 *News*, 5.10 *Country*, 5.15 *See Hear!* 5.15, 5.25 *News*, 5.40 *Song Of The People*, 5.45 *See Hear!* 5.45, 5.55 *News*, 6.10 *Country*, 6.15 *See Hear!* 6.15, 6.25 *News*, 6.40 *Song Of The People*, 6.45 *See Hear!* 6.45, 6.55 *News*, 7.10 *Country*, 7.15 *See Hear!* 7.15, 7.25 *News*, 7.40 *Song Of The People*, 7.45 *See Hear!* 7.45, 7.55 *News*, 8.10 *Country*, 8.15 *See Hear!* 8.15, 8.25 *News*, 8.40 *Song Of The People*, 8.45 *See Hear!* 8.45, 8.55 *News*, 9.10 *Country*, 9.15 *See Hear!* 9.15, 9.25 *News*, 9.40 *Song Of The People*, 9.45 *See Hear!* 9.45, 9.55 *News*, 10.10 *Country*, 10.15 *See Hear!* 10.15, 10.25 *News*, 10.40 *Song Of The People*, 10.45 *See Hear!* 10.45, 10.55 *News*, 11.10 *Country*, 11.15 *See Hear!* 11.15, 11.25 *News*, 11.40 *Song Of The People*, 11.45 *See Hear!* 11.45, 11.55 *News*, 12.10 *Country*, 12.15 *See Hear!* 12.15, 12.25 *News*, 12.40 *Song Of The People*, 12.45 *See Hear!* 12.45, 12.55 *News*, 1.10 *Country*, 1.15 *See Hear!* 1.15, 1.25 *News*, 1.40 *Song Of The People*, 1.45 *See Hear!* 1.45, 1.55 *News*, 2.10 *Country*, 2.15 *See Hear!* 2.15, 2.25 *News*, 2.40 *Song Of The People*, 2.45 *See Hear!* 2.45, 2.55 *News*, 3.10 *Country*, 3.15 *See Hear!* 3.15, 3.25 *News*, 3.40 *Song Of The People*, 3.45 *See Hear!* 3.45, 3.55 *News*, 4.10 *Country*, 4.15 *See Hear!* 4.15, 4.25 *News*, 4.40 *Song Of The People*, 4.45 *See Hear!* 4.45, 4.55 *News*, 5.10 *Country*, 5.15 *See Hear!* 5.15, 5.25 *News*, 5.40 *Song Of The People*, 5.45 *See Hear!* 5.45, 5.55 *News*, 6.10 *Country*, 6.15 *See Hear!* 6.15, 6.25 *News*, 6.40 *Song Of The People*, 6.45 *See Hear!* 6.45, 6.55 *News*, 7.10 *Country*, 7.15 *See Hear!* 7.15, 7.25 *News*, 7.40 *Song Of The People*, 7.45 *See Hear!* 7.45, 7.55 *News*, 8.10 *Country*, 8.15 *See Hear!* 8.15, 8.25 *News*, 8.40 *Song Of The People*, 8.45 *See Hear!* 8.45, 8.55 *News*, 9.10 *Country*, 9.15 *See Hear!* 9.15, 9.25 *News*, 9.40 *Song Of The People*, 9.45 *See Hear!* 9.45, 9.55 *News*, 10.10 *Country*, 10.15 *See Hear!* 10.15, 10.25 *News*, 10.40 *Song Of The People*, 10.45 *See Hear!* 10.45, 10.55 *News*, 11.10 *Country*, 11.15 *See Hear!* 11.15, 11.25 *News*, 11.40 *Song Of The People*, 11.45 *See Hear!* 11.45, 11.55 *News*, 12.10 *Country*, 12.15 *See Hear!* 1